



# Public administration characteristics and performance in EU28:

Italy

Written by  
Denita Cepiku  
University of Rome Tor Vergata  
April - 2018



Social  
Europe

**EUROPEAN COMMISSION**

*Directorate-General for Employment, Social Affairs and Inclusion  
Directorate F – Investment Unit F1 – ESF and FEAD: policy and legislation*

Contact: [EMPL-F1-UNIT@ec.europa.eu](mailto:EMPL-F1-UNIT@ec.europa.eu)

*European Commission  
B-1049 Brussels*

**Public administration  
characteristics and performance  
in EU28:  
Italy**

***Europe Direct is a service to help you find answers  
to your questions about the European Union.***

**Freephone number (\*):**

**00 800 6 7 8 9 10 11**

(\* ) The information given is free, as are most calls (though some operators, phone boxes or hotels may charge you).

## **LEGAL NOTICE**

This country chapter is part of the full report "**The Public Administration in the EU 28**".

This publication has been developed for the European Commission with the technical assistance of the European Institute of Public Administration (EIPA), the Hertie School of Governance and Ramboll Management Consulting. It reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

More information on the European Union is available on the Internet (<http://www.europa.eu>).

Editors: Nick Thijs and Gerhard Hammerschmid

Manuscript completed in August 2017

Luxembourg: Publications Office of the European Union, 2018

ISBN: 978-92-79-90902-3  
doi:10.2767/100892

© European Union, 2018

Reproduction is authorised provided the source is acknowledged.

## TABLE OF CONTENTS

<b>1</b>	<b>SIZE OF GOVERNMENT</b>	<b>494</b>
<b>2</b>	<b>SCOPE AND STRUCTURE OF GOVERNMENT</b>	<b>496</b>
<b>2.1</b>	<b>State system and multi-level governance</b>	<b>496</b>
2.1.1	The state/government system	496
2.1.2	The distribution of powers between different levels of government	499
2.1.3	Intergovernmental cooperation	501
2.1.4	Multilevel governance and public sector reform	501
<b>2.2</b>	<b>Structure of executive government (central government level)</b>	<b>503</b>
2.2.1	The ministerial machinery	503
2.2.2	The Centre of Government capacity for coordination	505
2.2.3	Budgeting and monitoring mechanisms	505
2.2.4	Auditing and accountability	507
2.2.5	Coordination of administrative reform	507
<b>3</b>	<b>KEY FEATURES OF THE CIVIL SERVICE SYSTEM</b>	<b>508</b>
<b>3.1</b>	<b>Status and categories of public employees</b>	<b>508</b>
3.1.1	Definition of the civil service	508
3.1.2	Configuration of the civil service system	508
<b>3.2</b>	<b>Civil service regulation at central government level</b>	<b>508</b>
<b>3.3</b>	<b>Key characteristics of the central government HR System</b>	<b>511</b>
3.3.1	The management of HRM	511
3.3.2	Internal processes of the civil service	512
3.3.3	Senior civil service	512
3.3.4	Social dialogue and role of trade unions	514
3.3.5	Remuneration	514
3.3.6	Degree of patronage and politicization	515
<b>4</b>	<b>POLITICAL ADMINISTRATIVE SYSTEM AND POLITICAL ECONOMY</b>	<b>516</b>
<b>4.1</b>	<b>Policy-making, coordination and implementation</b>	<b>516</b>
4.1.1	State system	516
4.1.2	Consultation for decision making	517
4.1.3	Policy advice and changes in human resources	517
<b>4.2</b>	<b>Administrative tradition and culture</b>	<b>519</b>
<b>5</b>	<b>GOVERNMENT CAPACITY AND PERFORMANCE</b>	<b>522</b>
<b>5.1</b>	<b>Transparency and accountability</b>	<b>522</b>
<b>5.2</b>	<b>Civil service system and HRM</b>	<b>524</b>
<b>5.3</b>	<b>Service delivery and digitalization</b>	<b>525</b>
<b>5.4</b>	<b>Organization and management of government</b>	<b>527</b>
<b>5.5</b>	<b>Policy-making, coordination and regulation</b>	<b>528</b>
<b>5.6</b>	<b>Overall government performance</b>	<b>529</b>
	<b>REFERENCES</b>	<b>530</b>

## 1 SIZE OF GOVERNMENT

The size of the Italian public sector is remarkable, ranking in top ten of the EU28 with a share of 50.4% of total expenditure as percentage of the GDP and this share has remained almost steady over the period 2010-2015. On the same path there is the central government expenditure, which has maintained the 58% registered in 2010. On the other hand, the local government has decreased its weight on the total expenditures from 31.6% registered in 2010 to an approximate 28.5% in 2015.

**Table 1: General government budget data**

ITALY	2010	EU 28 Rank	2015	EU 28 Rank	Δ Value	Δ Rank
<b>Total expenditures (in % GDP)</b>	49.89	10	50.40	7	+0.51	+3
<b>Central government share (%)</b>	58.30	23	58.54	22	+0.24	+1
<b>State government share (%)</b>						
<b>Local government share (%)</b>	31.57		28.75			
<b>Public investment (in % GDP)</b>	2.92	25	2.24	25	-0.68	0
<b>Debt in % GDP</b>	115.39	27	132.28	27	+16.89	0
<b>Deficit in % GDP</b>	-4.2	8	-2.6	17	+1.6	-9

**Sources:** AMECO, Eurostat

According to the Ministry of Economy and Finance (MEF), in 2015, the number of public employees working for the Italian public sector was 3.257.014 from which has been subtracted the number of employees working for public corporations (23.833) in order to comply with OECD's recommendations.

Therefore, the number of employees working for the government in 2015 was approximately 3.23 million with a peak of 63% working for the central government and 24% for the regional governments. On the other hand, a small percentage of only 11.6% relates to the employment at local government level.

**Table 2: Public sector employment in Italy**

ITALY	2015
(1) General government employment*	3.233.181
thereby share of central government (%)	<b>(63%)</b> 2.041.402
thereby share of state/regional government (%)	<b>(24.3%)</b> 786.790
thereby share of local government (%)	<b>(12.5%)</b> 404.989
(2) Public employment in social security functions	37.507
(3) Public employment in the army	99.049
(4) Public employment in police	312.205
(5) Public employment in employment services	8.798
(6) Public employment in schools	1.085.082
(7) Public employment in universities	99.134
(8) Public employment in hospitals	653.352
(9) Public employment in core public administration calculated (1) minus (2)-(8)	<b>938.054</b>
(10) Core public administration employment in % of general government employment (10)/(1)	<b>29.0%</b>

**Sources:** National statistics:

<http://www.contoannuale.tesoro.it/cognos1022/cgi-bin/cognosisapi.dll>  
<http://www.isfol.it/primo-piano/uscito-il-rapporto-di-monitoraggio-dell2019isfol>

*NB. Data include full time and part time employment (below and above 50%).*

*\*According to the OECD, general government employment excludes public corporations.*

Italy was classified by the OECD (2012) as a country 'under distinct market pressure' during the global economic and financial crisis. It hit Italy in the midst of an economic decline; its effect was initially mild because the banks were not deeply involved in credit derivatives and the housing market was stable. GDP growth in 2009 was -5% – lower than that of other EU countries. The global crisis effects became disruptive in 2011, however. The inability of the government to deal with the pressure of public opinion and to face the international financial speculation on Italian bonds compelled Prime Minister Berlusconi to resign. The centre-right coalition was substituted with a 'grand coalition' and an economics professor – Mario Monti – was seconded to serve as a technical (non-political) prime minister to lead Italy out of the crisis – after having been given the title of 'lifetime senator'.

After small fiscal stimulus packages were introduced in 2008, the national response to the crisis was austerity (OECD 2012, p. 140; Cepiku et al. 2016). The greatest fiscal consolidation was achieved in 2012 – largely by increasing tax revenues, reducing tax evasion and introducing non-tax revenue measures. The reduction of central government transfers to regions, provinces and municipalities comprised the largest measure, amounting to almost 0.5% of GDP in 2011–2013. These spending review measures comprised the constraints of the Domestic Stability Pact: a tool introduced in 1998 by the central government to involve other government levels in expenditure management and control efforts and to require all levels to accept co-responsibility for the EU's Stability and Growth Pact targets.

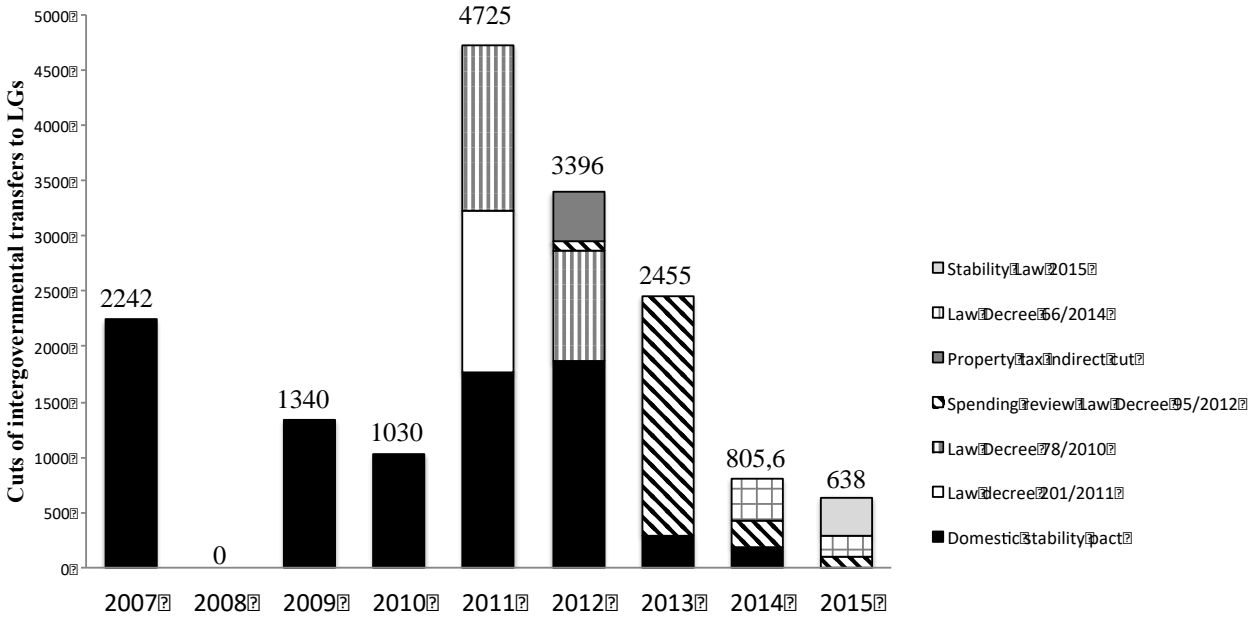
A comparison of the situation before and after the economic global crisis (2005 and 2015) shows that it has pushed the country back of nearly two decades with a consequent decrease in public employment and an increase in public expenditure. The number of public employees in 2005 (before the crisis) was 3.46 million while in 2015 it dropped by approximately 200.000 reaching 3.26 million (MEF, 2015). In addition, data from Eurostat confirms the aforementioned decrease in public employment with a 9.9% cutback during the period 2011-2015. In the same length of time, the overall public employment rate in Italy has diminished from 61.0% in 2011 to 60.5% in 2015 while it has increased instead in the EU28 from 68.6% (2011) to 70.1% (2015). On the other hand, the total public expenditure in 2005 was 47.1% of the GDP (OECD, Government at a Glance 2009) while in 2015 it increased by over 3% reaching 50.4% of the GDP (Table 1).

The public expenditure cuts determined an increase in local authorities' autonomy as central transfers were consistently cut. As table 4 shows, while the central government expenditures grew over the period 2010-2015 by 0.24% the expenditures of local authorities dropped by almost 3% in the same period.

Austerity policies in Italy have been disproportionately high at the local level, with a cut of over EUR 26,6 billion between 2007 and 2015. Intergovernmental current transfers have been reduced by approximately 50% from 2007 to 2015 (IFEL data). Local government debt represents only 2.3% of total debt, and local expenditures are only 8% of total expenditures (Ministry of Finance data). Local government investments have been cut by 28% between 2007 and 2012 (IFEL data). Consequently, municipal financial autonomy from upper levels of government has increased, with their current revenues

rising from 61% to 83% of total revenues. This effect has been harsher on the most virtuous municipalities, confirming that across-the-board policies incentivize opportunistic behaviours. The northern municipalities, characterized by greater wealth and higher levels of quality and quantity of local services, have faced the highest cuts.

**Table 3: National austerity policies in Italy: cuts of intergovernmental current transfers to local governments (EUR million; nominal values)**



Source: Cepiku, Mussari and Giordano 2016

**2 SCOPE AND STRUCTURE OF GOVERNMENT**

**2.1 State system and multi-level governance**

**2.1.1 The state/government system**

Italy is a regional state with federalizing trends in place. A decentralization process began in the 1990s with the introduction of a direct election of mayors, and culminated in 2009, when Law 42 established the principles of fiscal federalism, guaranteeing a higher level of autonomy for regions and local authorities. Legislation approved in 2001 lists local governments (municipalities and provinces), regions, and the central government as equal components of the Republic (Cepiku 2013; Mussari and Giordano 2013).

There are 20 regions (15 of which have ordinary status and 5 have a special status guaranteeing them more powers), 103 provinces and 8,088 municipalities. However, only 136 of these municipalities have a population greater than 50,000 inhabitants, while more than 92% of the municipalities have a population that does not reach 15,000 inhabitants (a total of 7,466 municipalities). This is why intermunicipal cooperation has developed, even though the results are still quite modest (UCLG Country Profiles – Italian republic 2007).

The unification process was based on a strongly centralized model of state, intended to enforce national identity. The new model aimed at centralizing political accountability and unifying policy making and executive activities. In the aftermath of unification, the central government gained authority at the local level in almost every field. The focus of



the authoritarian fascist regime (1922–43) remained the enforcement of nationalism without any room for regional differences.

The recognition of special status for some regions did not escape the top-down approach based on uniformity, with the special statutes being approved by a state constitutional law (Gianfrancesco 2010). Four special statute regions were introduced by the constituent assembly in 1948. Sicily and Sardinia were characterized by strong separatist movements; Valle d'Aosta and Trentino-Alto Adige were included for the protection of their francophone and Germanic linguistic minorities, respectively. In 1963, the special status of Friuli-Venezia Giulia was recognized, acknowledging its cross-border nature and less-developed economy.

A second relevant stage began in the 1970s when three important reforms were introduced in Italy (the Giannini reforms): the reform of the healthcare system, the reform of the fiscal system, and the creation of regional governments. The decentralization trend was enforced in 1977 and again in 1997–98. It is worth noting that regionalism in the 1970s was also strongly based on uniformity in the (unsuccessful) struggle to ensure equity.

The 1990s marked the introduction of the most radical public management reforms in Italy. In the 1980s some rich and dynamic regions first called for greater autonomy, no longer based on disadvantages or on historical reasons. The Bassanini law n. 59/1997 enforced the asymmetry trend (in terms of functions transferred from the regions to the local governments) as a means to achieve substantial equity. This was confirmed by the constitutional reforms of 1999 and 2000 and enforced by the introduction of direct elections of the presidents of the regions (1999) and the role of regional statutes.

It is reasonable today to call into question the effectiveness of uniformity in reducing the gap among the different regions in Italy. The huge cultural and economic differences of pre-unified Italy persist, and modernization and managerial reforms have proceeded at different speeds. Furthermore, the experience of special regions is not encouraging. Statistics (such as the ISTAT [national statistical institute] poverty index, data from the Ministry of Health or the Ministry of Economy and Finance) describe a country in which regions that deliver public services and policies comparable to Scandinavian countries coexist alongside regions with high poverty rates. Greater regional costs and expenditures do not correspond to higher levels of quality. For instance, the cost of raising a child in Calabria is 394 euros; in Lazio, 260 euros; in Lombardy, 226 euros; in Veneto, 240 euros. An Italian reader knows well that the former regions have lower performance rates, in terms of competencies and education levels achieved. The gap in healthcare is even more significant, with the expenditure per inhabitant ranging from 30 to 51 euros in Puglia, Marche, and Piedmont, to 439 and 384 euros in Sicily and Lazio, respectively (Italian Ministry of Finance data).

Therefore, in Italy, regions can be classified in two ways:

- A formal classification, based on the distinction that the Constitution makes between special-statute and ordinary-statute regions. This special status, given to some border regions, was the price that the nascent Republic had to pay to ensure their loyalty. Today, the differentiation remains in only financial and dimensional terms (if we exclude Sicily) and is no longer motivated by historical origins.
- A substantial classification, based on an observed gap between regions (northern and southern) in terms of administrative capacity and performance. This north–

south gap exists independently from the attribution of special status, as in the case of Sicily.

Italian public sector reforms generally involve every level of government (central administrations, regions, provinces, local governments, agencies, hospitals, universities) with varying degrees of intensity. In the specific case of local governments, the reforms of the early 1990s implied an increase in autonomy in three key areas (Anessi Pessina 2002):

- Organizational (managerial) autonomy through the Local Government Reform Act in 1990, civil service reform in 1993, and local government accounting reform in 1995.
- Financial autonomy through the introduction of local taxes and the progressive reduction of intergovernmental grants. In particular, in 1993 ICI (municipal property tax) was introduced, and in 1999 personal income tax surcharges were introduced by local governments.
- Decision-making autonomy, with the devolution of administrative functions and competencies from the central to local tiers of government and the simplification of administrative procedures (Laws 59/1997 and 127/97, also known as the "Bassanini Laws").

The reform process was substantially completed in 2001, vis-à-vis the reform of the second part of the Italian Constitution and the introduction of horizontal subsidiarity as a guiding principle for the assignment of responsibilities among different tiers of government. In fact, at a constitutional level, the reforms redistributed not only legislative powers between central and regional governments (Article 117), but also administrative functions between central and local governments (Article 118), and they granted greater financial autonomy to lower levels of government (Article 119) (Bordignon et al. 2007).

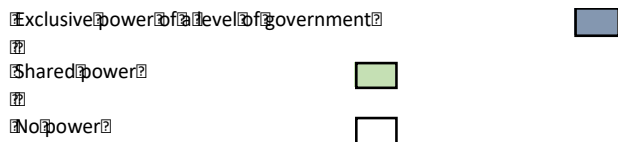
According to Mussari and Giordano (2013), although the main purpose of these reforms was to enhance efficiency, accountability, manageability, and autonomy in a multi-tiered government, their results and impact have been controversial. In particular, an overall increase in Italian public sector spending has been seen in the last 15 years. First, the shifting of powers from central to local governments failed to produce the expected expenditure reductions of central entities, while on the other side of the spectrum, local governments generally increased their expenditures to manage their new functions. In the Italian political scene, this outcome is known as the cost of devolution. Second, inefficient intergovernmental financial relations (characterized by grants calculated on historical expenditures, central bailout expectations, and the lack of sanction mechanisms for local government fiscal indiscipline) have tended to stimulate overspending within local governments and produce unsustainable deficits. This result reveals that decentralization may be dangerous if it allows subnational governments to expand their expenditures while pushing the costs on to others. Third, the devolution of services, when accompanied by negative factors like sunk costs, has often generated inefficiencies and much higher public spending. Moreover, the devolution of services has often involved the establishment of private organizations owned by local governments which, being affected by politics, often prove to be inefficient and badly managed.

Another legacy of these reforms has been duplication and confusion in many areas of shared rule among orders of government. An example is the 2001 Constitutional reform that introduced a concurrent legislation (i.e. national and regional laws have the same force) in policy areas such as energy, tourism, industry, among others. This increased

the level of conflict between regional and central governments, also because coordination mechanisms were weak. The reshaping of the public sector's macrostructure through the redefinition of responsibilities has generated a hybrid and complex form of multilevel governance. After a period of constant increases in local government autonomy since the middle of the 1980s, the central government has, since 1999, progressively reduced the financial autonomy of local governments.

### ***2.1.2 The distribution of powers between different levels of government***

Government level:	Legislation	Regulation	Funding	Provision
<b>Central government</b>				
Defense	Exclusive powers			
Internal affairs (National Police)				
External Affairs	Shared powers with regional government			
Justice				Decentralization of some functions
Finance/tax				
Environmental protection	Prevailing legislation			
Health	Exclusive powers: definition of minimum levels of care (LEP);		General taxation	
	Shared powers			
Water	Shared powers		Residual role of public finance	
Transport				
Electricity				
Education	Basic legislation			
Science and research	Shared powers with regional governments		Main funding	
Social welfare			Adjustment fund (FNPS; Fondo perequativo), additional resources for some municipalities and regions, according to article 119 of the Constitution	
<b>State/regional government</b>				
External Affairs	Shared powers with central government			
Justice				
Finance/tax	Financial autonomy of revenue and expenditure. They set their own taxes and duties			
Environmental protection				
Health	Shared powers		(IRAP; IRPEF)	
Water				
Local transport				
Education		Shared powers with local governments		Shared powers with local governments
Science and research				
Social Welfare		Point of interface between state and territory	Co-financing (to a lower extent than the State).	
<b>Local government</b>				
Internal Affairs - Local Police				
Finance/tax	Financial autonomy of revenue and expenditure			



### **2.1.3 Intergovernmental cooperation**

The Conference of Services is an institution introduced by Law (n. 241/1990) in order to simplify and coordinate the actions of public administrations at different levels, facilitating the country development. In order to overcome the slowness of the public decision making processes and to eliminate the enormous delays on the acquisition of the necessary authorizations to undertake public work projects or to set up businesses, the conference of services requires the contextual exams of the different aspects involved in the work project or in the new business activity and, in particular, the assessment of all the interests involved in the administrative procedure.

A recent reform has modified the institution 25 years after its creation in order to overcome the main issues and to introduce simplifications and innovations.

Since 1990, the regulation regarding the conference of services and defined by Law (n. 241/1990) has been modified until nowadays by almost every government and, in particular, by Law n. 15 in 2005. The article n. 2 of the law decree for the reorganization of the public administrations (law n. 124 /August 7th 2015) has required the redefinition and simplification of the regulation regarding the conference of the services based on different directive criteria such as the reduction of delays and the number of cases when the conference is compulsory, promoting the use of ICTs in public offices, and the possibility to hold the conference asynchronously. Moreover, article n.2 provides the simplification of the decisional model by envisaging the participation of only one delegate for all public administrations and by deciding upon which cases the physical presence of the public administration leaders is required.

The Council of Ministers approved the legislative decree n. 127 on June the 15th, 2016 regarding the reorganization of the Conference of Services and it came into force on July 28th 2016.

### **2.1.4 Multilevel governance and public sector reform**

“The process of decentralization has been accompanied by vocal concerns from the provinces and regions that they are being delegated new tasks from the centre without adequate resources to carry them out unfunded mandates” (Pollitt and Bouckaert 2011).

In Italy intergovernmental financial relations are traditionally characterized by a low level of commitment on the part of both central and local governments. The presence of large fiscal imbalances, both vertical and horizontal, among different orders of government and territories, along with central bailout expectations have historically encouraged fiscal indiscipline. In order to eliminate moral hazard and to prevent local entities from shifting the costs of their fiscal irresponsibility onto the collective, the Italian central government—the only body directly responsible at the European level for the state of public finances—has adopted very stringent subnational rules (i.e., rules on budget balances, expenditure caps, ceilings on own local revenues). The Italian Domestic Stability Pact has had modest success in aligning the fiscal behaviour of subnational

government units with national commitments (Cepiku et al. 2016; Mussari and Giordano 2013).

In order to address these concerns, the Italian government introduced fiscal federalism in 2009. Law No. 42 (May 5<sup>th</sup>, 2009) (delegation to the government on matters of fiscal federalism, in accordance with Article 119 of the Constitution) establishes the principles of Italian fiscal federalism that should guarantee a higher level of revenue autonomy for regions and local authorities, while maintaining the progressivity of the tax system. First, it provides for the assignment of autonomous resources to municipalities, provinces, metropolitan cities, and regions, in relation to their respective competencies and according to the principle of territoriality. Second, the law guarantees that regions and local authorities can “shift” taxes, albeit within the constraints set by state law. Third, it states that public functions will be fully financed through equalization. Full financing will not be related to the costs actually incurred but will be based on “standard needs,” which are the expenditures corresponding to an average good management cost. As a consequence, regional and local administrations are forced to be efficient in order to avoid resorting once again to fiscal leverages to obtain financing. In order to apply these principles, Law No. 42/2009 required the government to adopt, within 24 months (delayed an additional six months), eight legislative decrees that set the rules and mechanisms under which fiscal federalism would work. Current debate questions whether or not the new form of fiscal federalism will afford real autonomy to local governments while at the same time increasing their responsibility for and accountability in public spending (Mussari and Giordano 2013).

The reform aimed at abolishing the provincial level of government started in 2013 with the Letta government and continued in 2014 with the approval of the so-called Delrio law, under the Renzi government. The reform creates metropolitan cities, which should take on the main functions of most part of the abolished provinces, and encourages inter-municipal cooperation and mergers for other functions. Some provinces however continue to exist – renamed in *enti di area vasta* – and are required to reorganize and to provide services such as school buildings maintenance, road maintenance, environmental protection and enhancement, transport and provincial roads maintenance, equal opportunities and fight of discrimination in employment practices. This reform was a failure in several regards: local governments, under fiscal stress, were slow to take over provincial functions, funding to remaining provinces was severely cut, leaving them unable to manage the functions that the law still allocated them, and few regions, which were called to regulate the reallocation of territorial responsibilities, were innovative in this. By January 2017, the head of all provinces have been renewed: no more an elected president, but mayors. As a matter of fact, the abolishment of provinces required a modification of the Constitution, which was part of a referendum held years after.

The referendum, held in December 2016, proposed the revision of 47 of the Constitution’s 139 articles. Italy voted to reject the reform with 59.4% and this brought to the resignation of the Prime Minister. Among the several areas of proposed reform, one addressed the balance of power between the central government and the country’s 20 regions, in areas like infrastructure and food safety and the definitive abolition of Italian provinces — a level of governance below that of the regions — and transfer some powers now overseen by the regions — like civil protection, strategic infrastructure and energy, and major transportation — to the central government, mostly reversing a change undertaken more than a decade ago, which devolved power to the regions.

The outcome of the referendum meant that provinces now continue to carry on functions that should be allocated to the regions and to the State, but without the expenditure coverage. EUR 1 billion has been cut each year (2015, 2016 and 2017); a total of EUR 5.3 billion has been cut since 2013. As a consequence provinces have declared a financial imbalance<sup>1</sup>.

<b>State structure</b> (federal - unitary) (coordinated - fragmented)	<b>Executive government</b> (consensus - intermediate - majoritarian)	<b>Minister-mandarin relations</b> (separate - shared) (politicized - depoliticized)	<b>Implementation</b> (centralized - decentralized)
Unitary (highly decentralized)	Intermediate (majoritarian in the lower chamber of parliament - the Camera)	Politicized although differences are observed among different levels of government and in legislation through time)	Centralized (centralization has increased since the end 1990s)

## **2.2 Structure of executive government (central government level)**

### **2.2.1 The ministerial machinery**

In Italy in 2000 more than twenty ministries were merged and slimmed to just a dozen. The sixty-fourth government that took office in 2016 has five state ministers (without portfolio) and thirteen ministries:

- Ministry for Foreign Affairs
- Ministry of Domestic Affairs
- Ministry of Justice
- Ministry of Defence
- Ministry of Economic Development, Infrastructure and Transport
- Ministry for the Agricultural, Food and Forestry Policies
- Ministry for the Environment, Land and Sea
- Ministry of Labour and Social Policies
- Ministry of Health
- Ministry for Education, University and Research
- Ministry for Cultural Heritage and Activities.

The Ministers without portfolio, at the Presidency of the Council of Ministers, who carry out the functions delegated by the President of the Council of Ministers, are:

- Minister for Territorial Cohesion
- Minister for International Cooperation and Integration
- Minister for the Relations with Parliament
- Minister for European Affairs

---

<sup>1</sup> [http://www.upinet.it/docs/contenuti/2017/02/1\\_ASSEMBLEA%20PRESIDENTI%20LEGGERO.pdf](http://www.upinet.it/docs/contenuti/2017/02/1_ASSEMBLEA%20PRESIDENTI%20LEGGERO.pdf)

- Minister for Regional Affairs, Tourism and Sport
- Minister for Public Administration and Simplification.

The legislative decree number 300 of 1999 led to the setting up of a number of executive agencies and allowed for two types of organisational structure: 1) Departments, articulated in different directorates, under the coordination of a Head of Department; 2) Directorates General, under the coordination of a Secretary General (Pollitt and Bouckaert 2011). The pattern of agencification is similar to that of other Southern European countries with Napoleonic tradition: corporatization is preferred over agencification, strong central government steering (programmatic and legalistic approach), many private law based type agencies, mixed funding and governance arrangements (van Thiel 2011).

Over the years, many semi-autonomous public organizations have been created to carry out functions in various policy domains often without a common reform design strategy. On the other hand, since the period 1992 – 5 (so-called ‘technical governments’ headed by Messrs Ciampi and Dini, former Italian Central Bank top officials, with the interlude of the first Berlusconi government and preceded by the first Amato government), agencification has been one of the components of the Italian public sector reform, which is claimed to have been strongly (although not completely) inspired by New Public Management doctrines, though the actual influence and penetration of such ideas is controversial. Since 1992, in fact, there have been two main ‘waves’ of agencification. In 1992 – 5, the *Agenzia per la Rappresentanza Negoziabile del Pubblico Impiego* (ARAN or Civil Service Contract Negotiation Agency) and the *Agenzia Nazionale per la Protezione dell’Ambiente* (ANPA, or National Environmental Safeguard Agency) and subsequently the network of Regional Environmental Safeguard Agencies were established. In 1999, a reform of the central government introduced a number of executive agencies: in particular, four fiscal agencies were established, all operating in the policy field of the former finance ministry. The 1999 reform formally acknowledged the existence of these organizations as a specific type of public organization with specific rules. Previous executive agencies belonged from a legal point of view mainly to the category of the *Ente Pubblico*, or public establishment (a category broader than the executive agencies). Other agencies have been established on a more ‘contingent’ basis, as a response to specific pressures (e.g. the *Agenzia Italiana del Farmaco*, AIFA, or *Italian Drug Agency*) (Fedele, Galli and Ongaro 2007).

A study by Fedele, Galli and Ongaro (2007) shows that contractualism is relatively often absent in executive agencies, and that especially performance contracting is rare; moreover, the relative paucity of performance measures in Italian agencies seems to be, at least partly, in countertendency to some common trends in (European) Nordic and Anglo-Saxon countries. It also emerges that the relationship between autonomy and re-regulation is problematic, and more broadly that there seems to be a varied and differentiated set of factors affecting agency form.

In Italy, besides agencies at national level, there are also agencies at regional, municipal and provincial level such as *Agenzia regionale per la Protezione ambientale*, ARPA, *Regional agency for Environment protection*, *Employment Regional Agency* now *Employment Center*. There are also interregional agencies such as the *Agenzia interregionale per il fiume Po* or AIPO, *Interregional agency for the Po river*. At municipal and provincial level there are agencies established with the purpose of managing and monitoring local public services like the *Agenzia per il controllo e la qualità dei servizi*



*pubblici locali di Roma Capitale or Agency for the control and quality of local public services in the capitol of Rome.*

According to an official inventory by the national statistics institute (ISTAT), there are 29 agencies at the central level and several more at the subnational levels<sup>2</sup>.

### **2.2.2 The Centre of Government capacity for coordination**

According to the SAFEGE Baltija (2015) *Report on Centres of Government in the EU Member States*, Italy has a complex Centre of Government structure. It is organized in distinct departments that oversee different policy areas such as school construction coordination and coordination against hydrogeological instability and natural disasters, civil defence<sup>3</sup>. Consequently, the total number of employees, including professional and support staff, exceeds 1000, as it happens in France and the United Kingdom. In Italy, though 569 civil servants work for the Centre of Government, together with the support staff, the Centre of Government has 1246 employees.

Similarly to other Napoleonic administrative tradition countries, the Italian Centre of Government has a high proportion of political staff (Dahlström, Peters and Pierre, 2011). The status of the manager of the centre of government is: politically appointed person.

The following are mentioned as important specific skills and competencies for Centre of Government officials in Italy: legal and political analysis; coordination; skills in document drafting; and economic analysis (SAFEGE Baltija 2015).

Regarding reforms in the area of improving policy coordination, in Italy, a legislative dossier is prepared to introduce changes in the regulations, which determine the role of the prime minister, by consolidating his/her role as a coordinator in the government, and by specifying the procedures of appointing ministers. The prepared regulations will specify the prime minister's rights to determine the policy guidelines at the council of ministers.

According to the OECD (2014) 33<sup>rd</sup> meeting of Senior Officials from Centres of Government that took place in Vienna, the Italian Centre of Government issues documents that cover a short timeframe of 1-5 years.

Between 2008 and 2012 the Italian Centre of Government's budget has decreased. On the basis of various spending reviews, Italy has introduced significant consolidation of the Centre, including elimination or transfer of non-core activities. Streamlining of the Centre of Government is often accompanied by enhanced secondment and reassignment mechanisms.

### **2.2.3 Budgeting and monitoring mechanisms**

In the 1980s and 1990s the budgeting and monitoring activities were performed by the Technical Commission for the Public Expenditure, which was introduced by the article n. 32 of the Financial Law in 1981 and abolished in 2003. It was composed of eleven experts in spending and financial flows under the supervision of the Ministry of Treasury.

---

<sup>2</sup><https://www.istat.it/it/files/2016/09/Allegato2.pdf?title=Elenco+delle+unit%C3%A0+istituzionali++delle+PA++30%2Fset%2F2016+-+Lista+completa+%28All.+2%29.pdf>

<sup>3</sup> <http://www.governo.it/organizzazione/uffici-dipartimenti-strutture/69#Dipartimenti>

The commission was appointed for the analysis and the assessment of the measures taken regarding public expenditure and the analysis of its efficiency.

In 2007, the Italian financial law established the Technical Commission for the Public Finance, composed of ten experts of public finance and management auditing with the task of analysing the State's budgeting and providing technical proposal regarding the coordination of different tools of public finance. In particular, the Commission concentrated on four main aims:

1. Reforming, balancing and reclassifying Government budgets;
2. Setting main principles for the coordination of public finance regarding the relationship among State and local authorities;
3. Monitoring the spending flow and reliability and completeness of the statistical information regarding public finance;
4. Providing a spending review programme implying the analysis and the assessment of the central administrations' programme and identifying the anomalies and options available for the reallocation of the financial resources.

The commission worked in collaboration with the Study Service of General State Accounting (*Ragioneria Generale dello Stato*) and other institutions such as Parliament offices, the unified Conference, ISTAT (national statistical institute) and other central administrations.

Spending review has been ranking high in government agenda in the past ten years. In 2008, through the Law Decree n. 112 the Technical Commission for the Public Finance was abolished. After those technical commissions, five Spending review commissioners have been nominated (Enrico Bondi, Mario Canzio, Carlo Cottarelli, Roberto Perotti and Yoram Gutgeld, the latter still on office). All, except the last one still in office, have resigned after declaring that spending reviews have not been possible for various political and technical reasons. According to the Ministry of Economy and Finance (February 2017), spending reviews have achieved savings for EUR 46 billion in the past three years (3,6 in 2014, 18 in 2015 and 25 in 2016). At the same time, the public expenditure has increased for EUR 33 billion. Some consider this situation as the result of the ineffectiveness of spending reviews; others as the result of conscious policies against austerity. It is a fact, however, that most of the recommendations included in spending review reports have not been adopted by prime ministers and have not received the political commitment of regions' presidents either.

Besides public expenditure, all public policies are monitored by the Executive (Government) and the Legislature (Parliament).

The way individual and organizational performances are managed and measured, including service quality, transparency and open data publication, corruption prevention, public procurement procedures, are monitored by the Department of Public Administration.

#### **2.2.4 Auditing and accountability**

The Supreme Audit Institution (*Corte dei Conti*) is a public authority of the Italian State established in 1862 with control, administrative and jurisdictional functions regarding the public revenues and expenditures of the country. It is regulated by the art. n. 103 of the Italian Constitution and other national laws (Law n. 19 and 20, January 14th 1994) and it is obliged to ensure that public financial resources are utilised according to the law and to the fiscal rules. Moreover, the Corte dei Conti has also the power to assure that losses or damages to the Government or to any other authority caused by public personnel are properly compensated.

Reform of the supreme audit institution (Corte dei Conti) widened the scope of control on results, while reducing ex ante authorizations (Law n. 20/1994).

Regarding the internal organization, before the reform in 1994, the Audit Court used to be composed of 11 jurisdictional sections, the first and the second were and are still now focused on fiscal controversy, the third and fourth were focused on ordinary, civil and military pensions while the fifth and the sixth were dedicated to fiscal disputes in Sicily and Sardinia (special statute regions). The remaining 5 sections were fully responsible for war pensions. According to the 1994 reform the third, fourth and all the special sections are abolished and all the remaining sections are regionally organized and located within the administrative centre of the region that the ordinary section belongs to.

Regarding the function of control, when a new law introduced by the Parliament implies a new expenditure, the Audit Court has to verify if there are the necessary financial resources to cover it. If the final control is positive the spending is authorized and the law can be published in the Official Gazette of the Republic, thus coming into force. An additional task of the Court is that of analysing the State balance sheet at the end of the year providing an overall assessment of the general economic trend of the country.

In Italy there is not a national Ombudsman, but rather several regional ombudsmen (*Difensore Civico*) coordinated by the Regional Ombudsman for Tuscany<sup>4</sup>. The Italian regional ombudsmen are independent institutional figures who supervise public administration adherence to the law in relation to citizens. The Financial Law in 2010 abolished the municipal Ombudsman leaving this institution only at regional level, except for the autonomous provinces of Trento and Bolzano where they have their own Ombudsmen. This public figure is elected by the Legislative authority of each region (according to art. 121 of the Italian Constitution), The Regional Council, and the mandate expires in five years as it is the mandate of the Regional Council, and he/she cannot be re-elected.

#### **2.2.5 Coordination of administrative reform**

The role of the Department of Public Administration at the Presidency of the Council of Ministers as the main promoter and coordinator of administrative reforms has been strengthened in the early 1990s by the minister professor Sabino Cassese. In 2000 a unit dedicated to innovation policy design, implementation and evaluation was created at the Department of Public Administration (Ufficio per l'Innovazione nella Pubblica Amministrazione). It was afterwards transformed into the unit for coordination of public

---

<sup>4</sup> <http://www.difensorecivicotoscana.it>

sector reforms. Both were headed by Pia Marconi, who was also chair of the Public governance committee of the OECD.

From 2002 to 2005 is worth mentioning the Cantieri Programme carried out by this unit, which aimed at sustaining bottom-up public sector innovation through institutional empowerment. The Program was based on a first stage of analysis of critical areas, such as the difficulties in the relationships among administrations, citizens and businesses and the main problems that affected service delivery and therefore customer satisfaction. In the second stage, priorities and objectives for change were proposed to the administrations. In the third stage, support policies of the Department of Public Administration helped the administration to pursue strategic priorities and changes, to develop innovation that is citizens and businesses oriented.

### **3 KEY FEATURES OF THE CIVIL SERVICE SYSTEM**

#### **3.1 Status and categories of public employees**

##### ***3.1.1 Definition of the civil service***

Public administration in Italy is divided into several functional sectors and a distinction is made between sectors belonging to the State and other sectors of public administration such as *enti pubblici non economici*, regional and local governments, the national health service, and research entities and institutions.

Civil servants are employees working in core central government units (ministries/departments/agencies) and in national public bodies, schools, universities, regional and local administrations, local health administrations.

##### ***3.1.2 Configuration of the civil service system***

Following the 2016 reform, for bargaining purposes between ARAN that represents all public employers and trade unions., four areas have been identified in place of the previous eleven: central administrations (including the previous areas of ministries, agencies and non-commercial organizations); local government; education and research (including the previous areas of university, school and public research institutes); and healthcare.

The number of employees in the central government area amounts to 247.000; local government 457.000; education and research 1.111.000; and healthcare 531.000 (data refer to 2014, Aran-RGS).

Regarding the status of the civil servant, Italy is classified in a group of countries characterized by the prevalence of contract-based employment relationships, together with Sweden, UK, and Poland. Civil servants represent only 15% of public employment

#### **3.2 Civil service regulation at central government level**

The legislative decree n. 165 of 2001 establishes what the public administrations (article 1) are and identifies: i) the civil servants, who are regulated by private labour laws (article 2) and ii) public employees whose status has not been privatized (article 3).

Reforms in the area of public employment aimed at reducing the differences between the public and the private status of employees and put the emphasis on accountability. As

regards political-administrative relations, reforms were schizophrenic sometimes emphasizing performance orientation and others introducing spoils system features.

Reforms of the civil service can be observed under the following timeframes (Ongaro 2011; OECD 2003):

- The Legislative decree nr 29 adopted in 1993 through which public employment became subjected to the general rules of private employment, labour contracts – negotiated between the government in its capacity as the employer, and the unions (the so-called privatization of public employment). It introduced the distinction between politics and administration with the former setting the strategic objectives of the administration, allocating the resources and evaluating the results achieved by managers. The privatisation of rules did not apply to senior executives, whose appointments and performance obligations remained in the minister's responsibility. Therefore, civil servants are governed by private labour laws and by provisions of collective agreements, while some categories of personnel (magistrates, State advocates, university professors, armed forces and police force, diplomats and prefects) have not been privatised in order to guarantee their independence. These categories are under public laws. Their status, working conditions and any specific details - salary increases, leaves, working time and flexitime, professional content, relation with union, etc. - are set out in collective agreements, negotiated between public sector employee unions and the Agency for the Representation of the Public Administration - ARAN, which represents all public sector employers;
- Legislative decree nr 80 in 1998 introduced a form of spoils system for top-level positions whose incumbents could be replaced within 90 days after the vote of confidence for the new government. The job positions of all central level managers (5.000 persons) became temporary (ranging between a minimum of two and a maximum of seven years), with confirmation of the incumbents subject to an appraisal of the performance of the manager during their stint.
- Law 145/2002 on the regulation of personnel in central government further strengthened the scope of the spoils system, by abolishing the minimum length of the appointment of managers (re-introduced in 2005).
- In 2009, the decree n. 150 sets a new framework for appointments and recruitment of managers and senior managers of the public sector aimed at recognizing merit and management competence.

Until October 2002, the management of senior executives was an inter-ministerial matter with the help of a pool known as the *ruolo unico dei dirigenti*. The creation of this structure was the backbone of the reform conducted from 1993 till 2001. It was underpinned by a database of jobs and profiles. This tool allowed the government to publish available positions in real time and to establish a labour market for managers. The new text adopted in 2002 has replaced inter-ministerial management of senior executives with ministerial management. However, the inter-ministerial database and the labour market for senior executives have been kept.

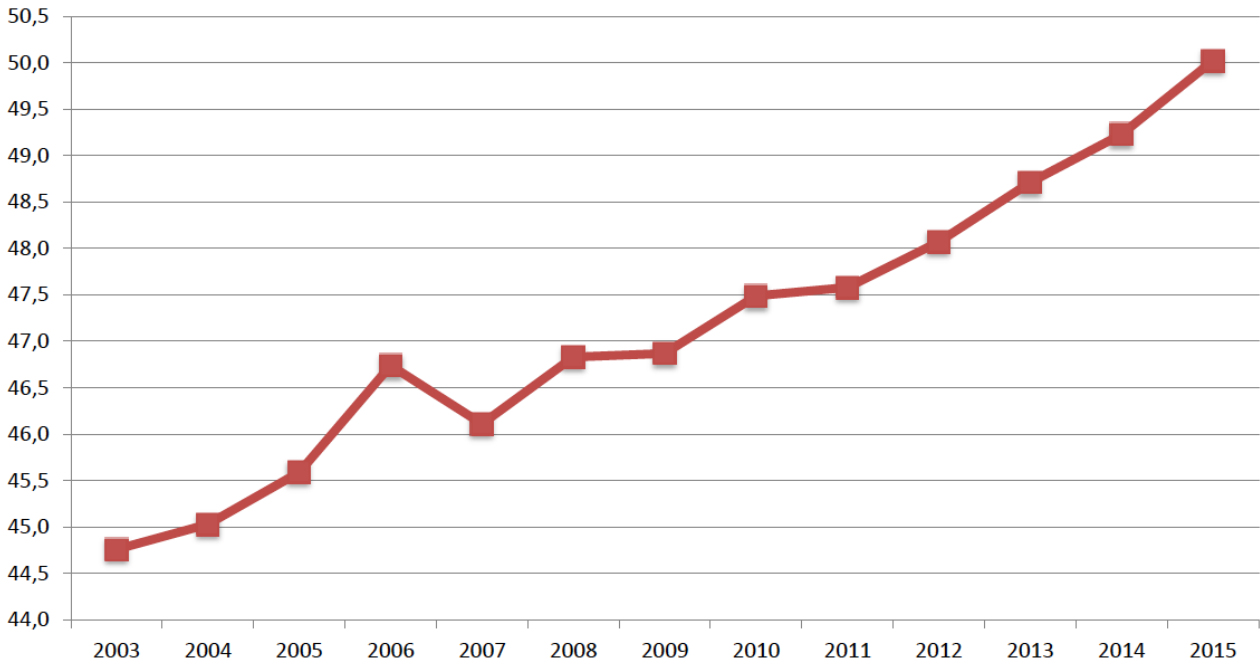
Several differences exist between different levels of government. The local government has introduced the direct election of mayors/presidents of the provinces and a slow but constant development of a pool of senior bureaucrats is observed. At the regional level, the administrations benefit and select senior bureaucrats from the pool developed at the local level as well as, to a lesser extent, senior bureaucrats from the national level. Moreover, innovative mechanisms are applied such as internal and external mobility,

short time contracts and accelerated career paths for high potential civil servants (Borgonovi, 2001, pp. 485-486). At the central level an explicit move towards a spoil system model is registered.

Senior civil servants form no part of the political leadership, unlike the administrative elite "corps" in France, Spain or Portugal (Kickert, 2005). However, the Italian New Public Management reform is considered to have failed in the separation of politics from administration and in the transformation of senior civil servants into public managers (Sotiropoulos, 2004). Performance management reforms have failed to enter the realm of politic-administrative relations.

There are two main areas of concern when it comes to human resources in the public sector. In the past decades, reforms have put the emphasis on the lower productivity of the public sector workforce compared to the private sector. This attitude has not helped strengthen trust in public employees. In fact, trust in the civil service as measured by the Eurobarometer is the lowest of the eight European countries, although it did appear to increase somewhat between 1997 and 2002 (Pollitt and Bouckaert 2011). Also policies aimed at developing human resources have been missing. A second area of concern has to do with the hiring / turn over freeze that is putting an obstacle to the entrance of young people (and ideas) in the public sector. Very recent data from ARAN show the increase of the average age of public employees.

**Average age of public employees 2003-2015**



**Source:** ARAN on IGOP data; 21 March 2017.

During the global economic and financial crisis (2008-2013), several instruments were used to restructure and reduce employment in central public administrations such as supporting voluntary departures, outsourcing, recruitment freeze, non or partial replacement of retiring persons, reduction of remuneration for top-level, reduction of Performance Related Pay, pay freeze and reduction of budgets of training system (OECD 2016).

### **3.3 Key characteristics of the central government HR System**

Human resources management in Italy is highly centralized and has become even more so as a consequence of the spending reviews. This is also one of the reasons why several management mechanisms (performance management and others) have not worked out very well.

The Department for Public Administration at the Presidency of the Council of the Ministers is in charge of human resources policy for central government administrations and public agencies, including their selection and recruitment processes. Until October 2002, it managed Senior Civil Servants, which was an inter-ministerial matter, coordinated by a special professional body called the *Ruolo unico dei dirigenti*, but since 2002 each Ministry manages its own Senior Civil Servants. Some policies are dealt in cooperation with the Ministry of Labour and the Ministry of Economics and Finance. Regions and Local Authorities (Provinces and Municipalities) have certain autonomy for their personnel organization, in accordance with the principles of subsidiarity, differentiation and adequacy (EUPAN 2013).

The legal basis are the law n. 165/2001 on the general rules governing the work of public officials, as modified by legislative decree n. 150/2009 and by law decrees now under approval; collective agreements; the Code of Conduct for Government employees (2001).

Public sector workers have the right to freedom of speech, political freedom and to join a union. The right to strike is authorised but there are certain restrictions for military personnel and police officers. There are various rules that foster equal opportunities; however, 70% of Director-Generals in Central Public Administrations are male according to an internal survey of the Department of Public Administration, 2009.

#### **3.3.1 The management of HRM**

Public employment has been subject to various reforms, mainly by law n. 133/2008 and the legislative decree n. 150/2009, that have provided measures with the purpose of optimizing labour productivity and make the organization more flexible; reorganizing the system for staff appraisal, which is linked to the implementation of evaluation systems and control, but also, more generally, providing the cycle of strategic planning; restructuring the system of collective bargaining and their financing system.

According to legislative decree, n. 150, a new evaluation system is introduced relating to the establishment of new control equipment and a central evaluation committee, which will prepare an annual ranking of performances of public administrations in three levels of merit in order to allocate resources at national collective bargaining for the best ones. Such a ranking was never done. The decree n. 150 has introduced also the principle that the bargaining cannot derogate the law.

The reform enhances therefore the figure of the manager, who will operate really as responsible for allocating economic treatments accessories for human resources and will be sanctioned, economically, if he does not carry out his work effectively.

On-going training is one of the priorities of the Department for Public Administration. It is mandatory and under the responsibility of the employee's administration. There are various training centres, the most important of which is the National School of Public

Administration (SNA), responsible also for the training of senior civil servants. It organises training courses for newly appointed executives and offers on-going training courses for other public employees. The initial training phase is carried out in formative cycles of no less than one year, and is offered to all new senior officers and executives who have passed the competitive examination set by the Prime Minister's Office. A reform has merged and reorganized the training system, which includes also the High Economic and Finances School, the Local Public Administration School and the Police Centre for Studies and Training.

### **3.3.2 Internal processes of the civil service**

The legislative decree n. 165 of 2001 establishes the procedures and the criteria for recruitment: i) adequate selection publicity to ensure impartiality, cost effectiveness and speed of execution; ii) transparent mechanisms to verify that the candidates are in possession of the required training and professional skills in relation to the position to be filled; iii) respect of equal opportunity; and iv) decentralization of recruitment procedures to ensure efficiency. Selection is based on a competition (*concorso*) that usually includes a written and an oral exam, mostly based on administrative and public law themes. Generally, each annual Budget Law established the ratio of new hires with respect to dismissed or retired staff. Each Public Administration sets its staffing needs over the three years. The Department for Public Administration and the Ministry of Economy and Finances authorize the recruitment for each Public Administration, adopting a special decree signed by the President of the Council of Ministers.

### **3.3.3 Senior civil service**

The creation of the Senior Civil Service in Italy dates back to the 1970s (*dirigenza*) and has undergone several legislative changes since then (in 1972, 1993-1998, and 2002). Their status has been governed by diverse laws and private contracts since 1998. However, it can be said that there is a formal Senior Civil Service status in Italy. The Secretary-General, Director-General or Senior Executive functions could be carried out both by Senior Civil Servants and by politically-appointed experts. Lower level executives are excluded from political appointment.

The Senior Civil Service in Italy includes two levels: executives (managers of 2<sup>nd</sup> level) and managers of 1<sup>st</sup> level (directors-general, upper level). Once a candidate qualifies as a manager of 2<sup>nd</sup> level, he/she signs two contracts: 1) a public contract with the public administration in which the vacancy was created. This contract determines full-time employment and gives the right to be paid according to collective agreements; 2) a fixed-term contract (3 to 5 years) that sets out the purpose and objectives to be achieved in relation to programs defined by political level and provides an additional remuneration.

The appointment to manager positions of 1<sup>st</sup> level is conferred by the President of the Council of Ministers, upon the proposal of the Minister responsible; while the appointment to manager positions of 2<sup>nd</sup> level is conferred by the director-general. The appointment will take into account the following criteria: i) technical and management skills, ii) previous results obtained and assessments received, and iii) previous experience in management positions, inside or outside the public administration.



It is possible for an executive (manager of 2<sup>nd</sup> level) to be appointed for a position of 1<sup>st</sup> level, on a proposal of the Minister and after five years he/she will qualify for obtaining the 1<sup>st</sup> level. Only those managers of 1<sup>st</sup> level can access to the posts at the level of Secretary General and head of Department.

External professionals can only be hired for a fixed term to fill management positions for a specified and limited period of time and for a small percentage of positions only.

The Legislative Decree n. 165 of 2001 sets two systems for external recruitment of managers who must have a university degree: i) a public competition exam; ii) a combination of an examination, a course in the National School of Public Administration and a practical experience (internship) in a public or private organisation. For the public competition exam route, candidates need a minimum of two to five years of managerial experience.

In order to ensure a high level of transparency and equal opportunity for civil servants, job descriptions for vacant posts will be posted on the administration's website.

The Legislative Decree n. 150 of 2009 established new procedures for the access to the senior levels (top positions of directors-general) based on qualifications and examinations, held by each administration for 50% of positions available each year. Because public employment in Italy is mostly career based; the introduction of a 50% reservation of posts for externals is an attempt to open it and make it more position based. The selected candidate is further required to spend a six-month training period in EU member State administrations, EU institution or international organisations.

In February 2017, some areas of human resources management have been reformed: selection, role of trade unions' bargaining and performance management. The issue of temporary employment in public administrations is tackled. This phenomenon has uncontrollably grown to escape the hiring freeze. The decree envisages a special hiring plan. More in general, a new approach to selection and hiring based on competencies is being introduced.

The decree designs a model in which the law establishes the main framework inside which the contract can regulate specific aspects of human resources management.

Two Legislative Decrees regarding public employment have been approved by the Council of Ministers and now handed to the Parliament waiting for the opinion of the Parliamentarian commissions in charge<sup>5</sup>. These Decrees are crucial parts of the public sector reform regarding the performance assessment and re-organization of the public employment with the final purpose of getting the public sector in line with the private sector. More in details, in order to improve human resource management and to improve the quality of the services provided to the community, public administrations can activate a redundancy employment program in accordance to a three-year hiring plan, which has to be based upon the temporary and provisional necessity of the public administration increasing the number of workers. Consequently, fixed-term contracts can now be stipulated with workers to meet temporary demand of employees in the public sector. This demand is to be ascertained and it also has to be in accordance with the trade union organizations and with the financial obligations.

---

[5 http://www.camera.it/leg17/682?atto=391&tipoAtto=Atto&leg=17&tab=2](http://www.camera.it/leg17/682?atto=391&tipoAtto=Atto&leg=17&tab=2)  
<http://www.camera.it/leg17/682?atto=393&tipoAtto=Atto&leg=17&tab=1>

### **3.3.4 Social dialogue and role of trade unions**

The Agency for Collective Bargaining for Public Administration (ARAN) has been representing the public employer in collective bargaining negotiations since 1993, except for civil servants whose status has not been privatised. ARAN membership is mandatory for all public administrations, which are consequently kept informed of progress in negotiations on a regular basis. The Agency has been reorganised by legislative decree n. 150/2009.

As far as the employees are concerned, there are many unions and three main confederations: Italian General Confederation of Labour; Italian Confederation of Workers' Trade Unions; and the Italian Workers' Union.

Around 45% of public sector employees are members of a union. The collective agreements provide on matters relating to pay, working conditions, professional content, and equal opportunities.

After six years of paralysis of collective bargaining due to budget restraints, the Italian Constitutional Court has ruled that this blockage is unlawful. Central government has set up in 2016 a round of collective negotiations in the view to sign up a new collective agreement for the next 4 years (as to the normative part) and for the next 2 years (as to the economic part). No further reductions of staff and/or wages are foreseen in the medium term.

### **3.3.5 Remuneration**

The salary increases and the detailed rules for disbursement of the performance awards are defined by the collective agreements, which were blocked. Thus non-monetary rewards – such as tasks based on greater responsibilities, missions abroad, high level training, among others – became the only one under consideration.

Pay rises for public sector employees were automatic until the 1993 reform. Since then, remuneration is determined by the employee collective agreements.

Salary increases, for public employees (i.e. under private law), are set out in collective agreements. Since 2010 pay negotiations take place every three years but at national level, however, the collective bargaining has been blocked by the Financial Laws until 2013 (law n. 122 of 2010 and law n. 111 of 2011). Due to the blockage of collective bargaining at national level until 2013, there is only the annually decentralized bargaining at the local body level.

Performance assessment for senior civil servants takes place annually. The remuneration system of senior civil servants is based on merit, the position and productivity, whereby aspects such as seniority or years in public service are not taken into account.

Senior public administrators in Italy are paid quite more than in other countries. The income differential between (low) senior-level civil servants and secretariat-level employees in the public sector is also higher in the latter group. Why is the relative pay level for d2 and d3-level public civil servants in Italy so high? Following legislative reforms in 1993, one central agency (ARAN) representing public administration at the central level replaced many different organisations, which had previously intervened in the negotiation process (Dell'Aringa et al. 2007: 450). This strengthened the bargaining position of civil servants. In addition, since around 1995, top-level Italian public servants

have managed, by exploiting their favourable political situation, to increase their salaries substantially (Dell’Aringa et al. 2007: 454).

A reason that prompted the reform of collective bargaining was the greater growth of public sector wages compared to the private sector, since 2000 (in the period 2000-2009, the average yearly growth rate of real unit wages has been 1.9% for public employees and 0.5% for private sector employees; Istat-Dfp). Such a divide has been determined by a bargaining model in place from 1993 to 2009 that constrained wages by the economic results of the firms, but did not do the same for public administrations. A linkage between wage increases and budget performance in public sector is established by Law nr 133/2008. Additional local bargaining funds for the whole civil service have been cut by EUR 190 million, while a new fund is created with an initial allocation of EUR 160 million. According to the Legislative decree nr 150/2009, the allocation for each administration’s local wage bargaining is determined by taking into consideration tangible results and actual management savings. This has not been implemented.

### **3.3.6 Degree of patronage and politicization**

According to art 98 of the constitution Italian civil servants only serve the nation. However, Italy is considered to be similar to other southern Europe countries characterized by pronounced party-political recruitment, patronage and clientelism between political parties and administration (Kickert 2011). On the other side, ministerial officials are considered to have a low level of influence on policy making processes.

Italy has witnessed extensive political decentralization and for some authors this has altered the borderline between politics and administration.

Confidence in the political system fell to very low levels in the late 1980s and early 1990s, and there were even two ‘non-political’, technocratic governments in the mid 1990s. However, there too, there is little evidence that the civil service has been the beneficiary of the loss of confidence in politicians. Rather it, too, has a low status in the eyes of the public.

<b>HR system</b> (Career vs. position based)	<b>Employment status</b> (civil servant as standard; dual; employee as standard)	<b>Differences between civil servants and public employees</b> (high, medium, low)	<b>Turnover</b> (high, medium, low)
Career based	Dual	High	Low (turnover freeze)

<b>Coherence among different government levels</b> (high, medium, low)	<b>compensation level vs. private sector</b> (much higher, higher, same, lower, much lower)	<b>Formal politicization through appointments</b> (high, medium, low)	<b>Functional politicization</b> (high, medium, low)
Medium	Much lower for lower levels of career; higher for top level positions	Low	Medium to high

## 4 POLITICAL ADMINISTRATIVE SYSTEM AND POLITICAL ECONOMY

### 4.1 Policy-making, coordination and implementation

#### 4.1.1 State system

According to Pollitt and Bouckaert (2011: 50), although there is an increasingly decentralization, Italy has a unitary state structure, a consensual executive government, politicized minister/mandarin relations, a Rechtsstaat administrative culture and a broad mixture when it comes to policy advice. Italy has been a constitutional and democratic republic with multi-party system since 1946, when the monarchy was abolished by popular referendum and a constituent assembly was elected to draft a constitution, which was promulgated on 1st January 1948. The executive power is exercised collectively by the Council of Ministers, which is led by the Prime Minister, officially referred to as President of the Council (*Presidente del Consiglio*) whereas the legislative power is vested in the two houses of parliament primarily, and secondarily on the Council of Ministers, which can introduce bills and holds the majority in the parliament.

Italy is a parliamentary republic. The government is the final result of party coalitions and the prime minister is elected by the parliament. One of the main problems of the democracy in Italy is the short length of government durations in Italy and the high political turnover. Both the referendum for changing the constitution and the electoral law reform rejected by the constitutional court aimed at solving this problem. The proposed solution was to entrust only one chamber of the parliament (camera) with the election of the prime minister and to give the 55% of the posts to the first winning political party. With the failure of the referendum and of the electoral reform, the status quo is confirmed, in absence of a strong leader able to launch an effective reform.

Until the political crisis of 1993–4 there were two main parties, the Christian Democrats (with vote shares of 33–40% during the 1980s) and the Communist Party (with around 30%). Governments changed frequently and were often of the grand coalition type due to the fact that a single party was unable to obtain the majority in the Parliament; hence same individuals from the political elite tended to be in power for long periods. In the mid-1990s, the deep political and economic crisis experienced caused by political bribery and other illegal activities caused a shift from a proportional/coalition system towards a more majoritarian electoral system, and from a highly centralized system towards a system with strong regions, provinces, and municipalities. These shifts have been accompanied by a wave of administrative reforms (Ongaro, 2009), which could be linked to the move towards a more majoritarian system.

In recent times, the inability of the multi-party system to select a government fully functioning due to problematic economic conjunctures have caused the development of several *technical governments* made of experts in specific fields and not related to the political life in order to deal with all emergencies in a timely manner. However, the results achieved did not meet the expectations and this resulted in keeping changing governments which have not been elected by the citizens but directly appointed by the President of the Republic who is considered as the maximum *super partes* figure within the Italian system and for this reason, the only figure able to give and keep stability in problematic times.

Distribution of powers	Coordination quality	Fragmentation
------------------------	----------------------	---------------

	(high, medium, low)	(high, medium, low)
Centralized	Low	High

#### 4.1.2 Consultation for decision making

Generally, there is lack of consultation by public administrations. In the past decades the public consultation for decision-making has always been a vague promise repeated by every government.

However, on March 9<sup>th</sup> 2017 the Department of Public Administration presented compelling guidelines as programmed by the action 14 of the national action plan on Open Government Partnership. These guidelines are based on the main principles of transparency, participation and accountability; their definition followed three phases<sup>6</sup>:

1. The redaction of the first draft in November 2016 by the *working group on participation* of civil society and public administration;
2. Public consultation between December 1<sup>st</sup> 2016 and February 12<sup>th</sup> 2017;
3. Final editing of the guidelines with the *working group on participation* (February 13<sup>th</sup> – March 9<sup>th</sup>) and presentation of the guidelines during the *Open Administration week*.

In parallel with consultation periods, an online collection of experiences has been launched in the field of both public administrations and civil society organizations. This analysis has been used to give a direction to the editing of the guidelines. This initiative can be considered as very promising for a future decision making approach not only based on the policy makers' beliefs, views and knowledge but likewise based on the opinions and thoughts of the main recipients of these decisions, the citizens and their associations such as trade unions (*cgil, cisl, uil*) and trade associations (*confindustria, confcommercio, confartigianato et cetera*).

To sum up, the Italian system has a coordinated and incremental policy style with an evident corporatist approach. Citizen participation is very weak even though some runty changes have been adopted lately in order to make the public community more aware and conscious about what happens in the public sector and within the decision-making process.

Political economy (liberal – coordinated)	Interest intermediation (corporatist – pluralistic)	Citizen participation (strong – weak)	Policy style
Coordinated	corporatist	Weak	incrementalism

#### 4.1.3 Policy advice and changes in human resources

The principle of political neutrality is spelled out in the Constitution and administrative law places limits on the political involvement of civil servants in public service administration. Legal arrangements limiting political involvement in public service

<sup>6</sup> <http://open.gov.it/wp-content/uploads/2017/03/Linee-guida-consultazione-pubblica-v.-1.1.pdf>

administration have been introduced for the first time in 1993, but the direction of change for direct political control of the public service has been reversed several times in recent years.

In Italy, there was widespread public criticism of corruption at the national and local levels. In the early 1990s, a number of corruption scandals uncovered inappropriate relationships between politicians and business companies. The consequent criticism has led to major reforms. In 1993, the principle of delineating functions between politicians and senior civil servants was established for the first time. In the late 1990s the principle was reinforced by several additional decrees. The reform movement lasted for about a decade emphasizing a clear cut between political and administrative actors. Since the early 2000s, there are some signs of a reversal in this trend (Matheson, et al. 2007).

Political involvement in staffing is high with reference to appointment, dismissal, transfer to another position, and promotion and medium in performance assessment (Matheson, et al. 2007). 1993, 1998 and 2002 reforms have brought a mix of NPM-isation and politicization of the top civil service (Ongaro, 2011). This change has been explained by a strengthening of the political executive as a result of the introduction of a majoritarian system at the center and the direct election of the presidents of the regional, provincial and municipal governments (Van der Meer, et al. 2015). As a consequence, politicians exert more control on top bureaucrats by granting themselves more power over appointments/dismissals (Cassese 2002; Ongaro 2009).

In 2002, more than 50% of administrators in level 4 in Italy changed their job (through replacement and transfer) after the election of a new government in 2001, because of a special provision in a law proposed by the new government and passed by the Parliament<sup>7</sup>. Law 145/2002 on the regulation of personnel in central government further strengthened the scope of the spoils system, by abolishing the minimum length of the appointment of managers (re-introduced in 2005).

In Italy, the civil service law states that heads and boards of non-ministerial or departmental agencies appointed by the government in the last semester before a general election can be removed by the new government. Special arrangements for arm's-lengths agencies exist that limit political involvement.

In Italy medium restrictions on political activities are associated with medium to high restrictions on administrative activities by politicians, who reportedly tend to interfere in managerial responsibilities by senior civil servants (Matheson, et al. 2007).

Perceptions point towards greater political control over the civil service in Italy since 2000 (Matheson, et al. 2007). Also, there is an increased use of limited term contracts, where dismissals or transfers for political reasons are likely.

Regarding lobbying, since 1948, although nearly 50 bills have been drafted, no law has passed. In the absence of regulation, codes of conduct for lobbyists and decision-makers, or even a register of lobbyists, the phenomenon takes place informally and behind closed doors. This opaque situation undermines the democratic decision-making in the country as well as public trust. The lack of transparency around how decisions are made and who influences the decision-making process has led to a large share of the public equating "lobbying" with "corruption", and the profession of lobbying tends to be negatively

---

<sup>7</sup> The five levels include: 1) vice-minister; 2) vice-secretary; 3) head of department / secretary general; 4) director general; 5) director.

associated with powerful and wealthy actors, such as from the pharmaceutical, banking or financial sectors, attempting to secure political power.

Although the regulation of lobbyists has already been fully established in other European countries, in Italy the process of lobby regulation seems to be at the beginning. More specifically, few months ago the Ministry of Economic development and, only on February 2017, the House of Representatives decided to establish the Register of lobbyists. This register can be considered as a tool utilized to improve transparency in the legislative process and exercising a stricter control over who can (no ex-convict are allowed to sign up to the register and become therefore official lobbyist if their sentence was issued earlier than 10 years) and does access Parliament buildings, and above all, regarding the disclosure of information about the meetings between politicians and lobbyists. This register can be considered as a very simple tool utilized in order to improve transparency of the legislative process and exercise a stricter control over who can and does access Parliament buildings, and above all, regarding the disclosure of information about the meetings between politicians and lobbyists. This regulation has the final purpose of allowing citizens and civil society to have a greater monitoring role over national institutions and democratic processes. Among the rules on the lobby activity the ban of revolving door seems to be very compelling and incisive. In more details, according to the "revolving door ban", both ex members of the Parliament and the Government, are not allowed to sign up to the register in the twelve months following the end of their mandate in order to avoid confusion in multiple roles which has always been a burden on the Italian reputation on transparency and trustworthiness among citizens and other countries.

However, the implementation of this register and its regulation seem to be very vague due to the fact that citizens who intend to investigate on the nature and the extent of the relation between the public and private sector, they will only have access to the list of companies or their legal representatives (lobbyist) and the politicians like the ministers, vice-ministers and undersecretaries who usually report vague and generic information regarding the meetings with the private sector members.

The main source of policy advices comes from the ministerial cabinets even though external experts are currently engaged in supporting the government policies regarding specifics topics. The level of autonomy at the administrative level is quite low while there is a high level of patronage & politicization.

Sources of policy advice (mandarins, cabinets, external experts)	Administrative autonomy (high – medium – low)	Patronage & politicization (formal, functional) (merit – patronage) (high – medium – low)	Public Service Bargains (Agency – Trustee)	Stability (high – low – no turnover after elections)
Cabinets and external experts	Low	High	Agency	High

**4.2 Administrative tradition and culture**

One hundred and fifty years after unification, the Italian public administration is relatively young when compared with the administrative systems of other European countries such as France, Spain, and the United Kingdom. The 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 (Meneguzzo, 2007). 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).

Prior to the political and administrative unification, the Italian states with the exception of Lombardo-Veneto, were converging towards the French administrative model. Still, in the years immediately following unification, there were many discussions about which administrative model to adopt at the national level. The two main options were the Lombardo-Veneto model, based on a contingency approach emphasising local specificities and considered highly successful, and the French-inspired Piedmont (Napoleonic) model, based on principles of organizational uniformity. The Piedmont model was selected hesitantly, considering the bureaucratic fragility of the southern administrative systems and the decentralization experienced under the Bourbon rule (Fedele 2002).

Significant elements of the Italian administrative system include: a tradition of state direction of the economy and society; the presence of an elite state cadre, including the Consiglio di Stato (Council of State), the Corte dei Conti (national audit office) and the Ispettorato Generale (a financial inspectorate); the strong presence of the central state at regional level, personified in the person of the *prefetto* (prefect); the importance of a special body of administrative law, based on the concept that the state occupies an autonomous domain (Pollitt and Bouckaert 2011; Ongaro and Valotti, 2008). The public service culture is strongly juridical (Kickert, 2005, Meneguzzo, 2007).

Overall, the image is of a slow-moving and rather inefficient administration, although with great variation, including pockets of much more modern and innovative practice (Pollitt and Bouckaert 2011; Cepiku and Meneguzzo 2011).

<b>Administrative culture</b> Rechtsstaat, Public Interest	<b>Welfare state</b> (liberal, conservative, social-democratic)	<b>Public Sector openness</b> (open, medium, closed)
Rechtsstaat although geographically differentiated	Social democratic	Closed



Key PA Values	Managerial vs Procedural (Managerial, Mixed, Procedural)	Red Tape (regulatory density) (very high to very low)	Discretion/autonomy (high, low, medium)
Integrity, fairness, good faith, proportionality, objectivity, transparency, equality, good sense, independence and impartiality, avoidance of conflicts of interest (code of ethical behavior of public employees).		Very high	Low

Hofstede national culture dimensions		
Dimension	Value	Average EU28
Power Distance	50	52
Individualism/Collectivism	76	57
Masculinity/Feminity	70	44
Uncertainty Avoidance	75	70
Long-term Orientation	61	57
Indulgence/Self-restraint	30	44

**Sources:** Geert Hofstede's national culture dimensions, <https://geert-hofstede.com/national-culture.html>.<sup>8</sup>

The Hofstede's national culture dimensions provided above hide relevant territorial differences. For example, individualism varies a lot from region to region as Putnam's famous book on social capital shows (Putnam et al. 1994).

Power distance values are seen to vary a lot both between north and south Italy and between young and old people. With a score of 50, Northern Italy tends to prefer equality and a decentralisation of power and decision-making. Control and formal supervision is generally disliked among the younger generation, who demonstrate a preference for teamwork and an open management style<sup>9</sup>. The public administration is, of course, affected. It is worth reminding the ageing public sector workforce and the turn-over freeze that has reserved to young employees only short term contracts.

Individualism is also an area in which different scores are obtained in north and south Italy. Regarding the impact on public administrations, it is worth mentioning the role of the family, especially women, in taking care of handicapped, children and the elderly; such a role fills a gap in a context of scarcely funded welfare services. Individualism may also mean a higher entrepreneurial attitude; small and medium enterprises prevail. More

<sup>8</sup> Interpretation: power distance (high value = higher acceptance of hierarchy and unequal distribution of power); individualism (high value = stronger individualist culture); masculinity (high value = higher masculinity of society); long-term orientation (high value = stronger long-term orientation); indulgence (high value = indulgence)

<sup>9</sup> <https://geert-hofstede.com/national-culture.html>

in general, if individualism is seen as weak civic mindedness, it can at least in part explain inefficiency and corruption in public sector.

Regarding masculinity versus femininity, gender inequality in the workplace, both in the public and private sectors, is diffused. The indicator on Italy (70) is far above the average and at a long distance from countries like Sweden (5) and the Netherlands (14).

Uncertainty avoidance is an area of national culture that has a relevant impact on public administrations. The high aversion to risk and uncertainty combined with high government turnover often means new regulation and no implementation. Innovation and reforms are difficult to introduce in public administrations as civil servants are more and more cynic and sceptical.

Italy scores average on long-term orientation. Savings are an indicator in support of it. Also an area of public administration reform that can be considered affected by this dimension is the attempts to increase the size of municipalities; mergers have failed, while inter-municipal collaboration seems to be the preferred option. This phenomenon is called campanilismo (parochialism).

## 5 GOVERNMENT CAPACITY AND PERFORMANCE

Considerations made in this section are based, in addition to the knowledge of the author, on interviews to selected key informants at the Italian Department of Public Administration.

### 5.1 Transparency and accountability

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Access to government information (1-10)	7.00	15	7.00	16	0.00	-1
	Value 2013	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Transparency of government (0-100)	48.83	15	51.43	16	+2.60	-1
	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Voice and accountability (-2.5,+2.5)	0.95	20	1.01	19	+0.06	+1
Control of corruption (-2.5,+2.5)	0.00	24	-0.05	25	-0.05	-1
TI perception of corruption (0-100)	39.00	25	44.00	27	+5.00	-2
	Value 2010	EU28 rank	Value 2014	EU28 rank	Δ Value	Δ Rank
Gallup perception of corruption (%)	77.00	19	89.00	27	+12.00	-8

**Sources:** Bertelsmann Stiftung, European Commission, Worldbank, Transparency International, Gallup World Poll.

#### Assessment based on the indicators

The data report a stable level of access to government information from 2014 to 2016, similar to other EU countries such as France and the Netherlands. However, Italy goes down one position in the EU ranking of 28 countries.

A similar ranking is reported with reference to transparency of government, although the score has increased in the last two years.

According to the indicator Voice and accountability measured by the World Bank, a slight improvement of the participation of Italian citizens to politics seems to have occurred from 2010 to 2015, mainly through a greater freedom of association and expression.

Regarding control of corruption, data report a significantly worse state of art of the Italian public administration compared to other European countries. The country ranks

25<sup>th</sup> in 2015, worse than in the previous years, highlighting a perception of strong private interests of a small elite influencing public power. However, the Transparency International corruption perception index shows an increase of the capacity of mass media and judicial power to expose corruption cases in public administration (in 2016 it further increased to 47.000). Nonetheless, the ranking remains very low (27<sup>th</sup> in 2015). Also the Gallup index of perception of corruption ranks Italy at the 27<sup>th</sup> place among European countries.

### **A short explanation of this assessment**

Data show a worsening of the levels of capacity and performance of the Italian public administration in terms of strengthening transparency and accountability from 2010 to 2016. The main reasons for this deterioration are to be found in the complexity of the regulation, which has increased hand in hand with the uncertainty of the rule of law and the confused allocation of competencies among the different levels of government.

As the above indicators show, corruption is one of the main concerns for the country that occupies the lowest places among the European Union countries. Especially at the local level of government, monitoring systems are missing.

According to the WIFO, ZEW and IDEAConsult (2012) study, a 'diversion of public funds' as well as 'irregular payments and bribes' by firms are perceived to be problematic, and suggest that corruption and fraud are important issues in Italy. Regarding the individual experience of corruption, 12% of respondents report an incidence whereas the EU average is 10%.

However, some developments that have occurred in 2014 will hopefully improve the situation in the forthcoming years. For instance, the strengthening of the anti-corruption authority (ANAC), since 2014, and the approval of the Freedom of Information Act in December 2016 could enable a reform of civic access to information and transparency and further sustain the improvement of the Corruption Perception Index of Transparency International. It is worth noticing that the mere presence of a Freedom of Information Act is one of the three parameters of the Bertelsmann Stiftung index.

The delegation law nr 124/2015, introduced provisions towards the implementation of open government policies, which are at the core of the Charter of Digital Citizenship; these include web-based participation in public decision-making, more direct control on public administrations (open data), together with improved access to digital services in line with the need to speed up the implementation of the Digital Agenda for Europe.

Regarding the Charter of Digital Citizenship, the first article of the delegation law n. 124/2015 describes the legislator's intention to guarantee to citizens and firms access to all public data and documents and, above all, being informed about the agenda of the public decision-making process. In addition, this law aims at extending the opportunity for citizens and firms to avail themselves of public services (or more simply make a payment) in a digital mode in order to strictly reduce the necessity to go physically to public offices and therefore, reducing bureaucracy. On the other hand, the main concerns regarding the effective implementation of digital citizenship are those of increasing the current low level of digital education which inevitably restrains the effective usage of these tools, and have a wider access to the Internet, with broadband which ought to be ensured in all offices, including booths open to the public and schools.

Moreover, Italy became a member of the Open Government Partnership in 2011 and is currently implementing its second OGP National Action Plan, which includes measures to

foster the implementation of effective participation practices. In 2016 the [www.partecipa.gov.it](http://www.partecipa.gov.it) portal was launched with the aim of becoming a web reference for public consultations run by government (OECD 2015).

Legislative decree nr 97/2016, also known as the Freedom of Information Act (FOIA), obliges public administrations to deliver information and documents requested by citizens, within thirty days. This decree, which is to be implemented under the control of the anticorruption authority (ANAC), should also lessen the quantity of documents and information that administrations are obliged to publish under the previous legislation on transparency.

Two websites worth mentioning have been launched by the Agency for Digital Italy in 2014 to boost the release and use of understandable open data: SoldiPubblici (public money; [www.soldipubblici.gov.it](http://www.soldipubblici.gov.it)) and OpenExpo ([www.dati.openexpo2015.it](http://www.dati.openexpo2015.it)).

In conclusion, it can be stated that while reforms in the area have focused on the supply side – i.e. obliging public administrations to report on their websites all kind of information – much needs to be done on the demand side, educating citizens and raising civic awareness over corrupt or non-transparent behavior. Also repressive measures prevail and seem to be ineffective, while prevention activities lag behind.

### **A comment on the quality/validity/relevance of these indicators for Italy**

The indicators commented in this section are valid and relevant for the evaluation of the levels of transparency and accountability of the Italian public administration. However, two main issues can be raised.

First, there is a timeliness issue as these indicators adapt very slowly to improvements in the policies and regulation aimed at strengthening accountability and transparency.

Second, most of the indicators are based on citizens' perceptions, which may be biased. It may be worthy to explore more objective measures when available such as the number of people investigated or arrested for corruption offences, the percentage of tender notices that are affected by a litigation, also considering that procurement regulation is similar in European Union countries.

## **5.2 Civil service system and HRM**

Indicator	Value 2012	EU28rank	Value 2015	EU28rank	Δ Value	Δ Rank
<b>Impartiality (1-7)</b>	3.95	23	3.85	23	-0.10	0
	Value 2012	EU26rank	Value 2015	EU26rank	Δ Value	Δ Rank
<b>Professionalism (1-7)</b>	3.75	20	3.86	19	+0.11	+1
<b>Closedness (1-7)</b>	5.67	8	5.92	3	+0.25	+5

**Sources:** *Quality of Government Institute Gothenburg.*

### **Assessment based on the indicators**

Human management resources capacity - with reference to impartiality and professionalism - in Italian public administrations is one of the worst among the European Union countries. In particular, private interests influence the elaboration of public policies and politicization of public employees is still at worrying levels, although professionalism has recently improved.

The closedness indicator shows a great and increased orientation towards the public interest.

The future evolution regarding the law on lobbying can influence this situation as citizens' particular interests may find a different way than the political parties channel of influencing public policies.

### A short explanation of this assessment

Civil service, and public leadership in particular, is an area where reforms have also been on-going. There has not always been consistency in time, especially with reference to political-administration relationships. Reforms in 1998, 2002, 2009 and 2015 have been schizophrenic sometimes emphasizing performance orientation and others introducing spoils system features.

### A comment on the quality/validity/relevance of these indicators for Italy

The indicators are relevant and explain some dynamics of human resources management in the Italian public administration. However, the indicator Closedness does not seem to reflect reality and is less valid in measuring the state of art of personnel management.

The Professionalism indicator is strongly influenced by the presence of spoils system and the change of senior civil servants following a change of government.

It would be useful to measure the different educational qualifications of senior civil servants.

Moreover, for a better comprehension of the state of the art of human resources in Italian public administration, it is necessary to consider aspects such as turn over freeze, ageing, and career perspectives, among others.

## 5.3 Service delivery and digitalization

Indicator	Value 2013	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
E-government users (%)	10.35	24	12.12	25	+1.77	-1
Pre-filled forms (%)	48.25	15	37.29	16	-10.96	-1
Online service completion (%)	77.00	11	85.00	14	+8.00	-3
	Value 2010	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Online services (0-1)	0.29	28	0.87	9	+0.58	+19
	Value 2013	EU27 rank				
Barriers to public sector innovation (%)	29.73	14				
			Value 2015	EU28 rank		
Services to businesses (%)			18.50	28		
	Value 2011	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Ease of Doing business (0-100)	66.83	23	75.25	25	8.42	-2

**Sources:** European Commission Digital Economy and Society Index UN e-government Index, EU Scoreboard Public innovation, Eurobarometer num.417, Worldbank Ease of Doing Business.

### Assessment based on the indicators

Although substantial investments have been made since the 1990s to develop e-government systems and the use of technology by Italian public administrations, the results that are also highlighted by the indicators are quite unsatisfactory.

In particular, a weak capacity to use online services is registered. One explanation is an introduction of ICTs that is far from systematic and not based on the development of digital skills, background reorganization and process reengineering.

Data show that online services are used more by citizens than enterprises.

The indicator Online Services shows the positive impact of several initiatives (such as for instance, the introduction of digital medical prescriptions or the digitization of the revenue services): Italy does no longer occupy the last place in the ranking like it was in 2010. However, as the European Commission's indicators show, citizens interacting on line with the Italian public administrations are still too few (12,12%), although increasing.

In the last two years, moreover, Italy has lost ranking positions with reference to two important indicators such as Pre-filled forms and Online Service Completion.

Finally, Services to businesses and Ease of Doing Business, more in general, report unsatisfactory performances. Although these have developed in the past years, the pace of improvement has been slower than in other European Union countries.

### **A short explanation of this assessment**

Data of 2013 report lack of adequate human and financial resources as two main obstacles to innovation in the public sector.

The e-government policies in Italy have developed through a stop and go approach and without a whole-of-government approach. In 1993 a dedicated agency was created, which became operative only at the end of 1990s, due to the complex bidding procedure. It changed its status and name several times and responded to different ministers (first the political responsibility remained at the Minister for public administration, while in 2001 a Minister of Innovation and Technologies as well as a dedicated department were created).

The Strategy for digital growth 2014-2020 focuses on:

Coordinating all digital actions and launching a centralization process for planning and public spending in this field;

The Digital First principle, by switching off the way public services are traditionally accessed;

Disseminating the digital culture and the development of digital skills among businesses and citizens;

Modernizing public administration starting from processes, getting rid of the approach based on technical rules and guidelines and focusing on users' needs and experiences;

An architectural approach based on open standards ensuring accessibility and full interoperability of data and services;

Solutions aimed at encouraging cost cutting and better quality of services, including remuneration mechanisms that encourage suppliers to find increasingly innovative forms for service delivery and consumption

It is too early to predict the impact that such a strategy will have on the level of development of e-government in Italy.

The ease of procedures to start a business and licensing is slightly below the EU-average. Indicators show quite some heterogeneity for the individual indicators. In Italy it takes 6 days to start a company compared to the EU average of 13.7 days. However the cost associated with the start-up is very high compared to the Member States' average.

## A comment on the quality/validity/relevance of these indicators for Italy

The indicators give a good representation of the state of the art of online services and their usage in Italy. However, they do not help to understand neither why the countries ranks so low nor the factors behind the improvement / worsening of the ranking.

Indicators on enabling factors such as the quantity and quality of resources devoted to e-government, the quality of policies, among others, could help policy makers in this field.

### 5.4 Organization and management of government

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Strategic planning capacity (1-10)	6.00	10	6.00	11	0.00	-1
Interministerial coordination (1-10)	8.00	7	8.00	4	0.00	+3
SGI Implementation capacity (1-10)	6.14	17	6.43	15	+0.29	+2
	Value 2012	EU26 rank	Value 2015	EU27 rank	Δ Value	Δ Rank
QOG Implementation capacity (1-7)	4.43	22	4.00	27	-0.43	-5

**Sources:** Bertelsmann Stiftung, Quality of Government Institute Gothenburg.

#### Assessment based on the indicators

The Strategic planning capacity seems unvaried in the past two years although a new law has been approved in 2009 and a dedicated department inside the presidency of the council of ministers has been created in 2012. This is in line with data from the OECD Government at a Glance project in 2009, 2011 and 2013 (OECD 2013). Furthermore academic research has shown a persisting implementation gap (Ongaro, 2009; Cepiku et al. 2012; Montesinos et al. 2013; Cepiku et al 2012; 2016). The focus of the laws and of policy guidance has been and continues to be on strategic documents. Ministries' behaviour has been entirely oriented to formally producing and adopting these documents according to the letter but not to the spirit of the law. There has been no cooperation among the key central stakeholders, the CIVIT, responsible for the strategic management process, and the RGS-Ministry of Economy and Finance, responsible for the budget process.

In a similar vein, the level of inter-ministerial coordination seems unchanged, although Italy has improved its position, ranking similar to France and Belgium. On the one hand, informal coordination and gatekeeping activities by the prime minister have a positive impact on the indicator; on the other, an insufficient experience and capacity in evaluating public policies is highlighted.

Regarding SGI Implementation capacity, it can be said that the country has improved in terms of implementation of government strategies, but has still to reach a satisfactory level. Two main aspects exert a negative influence on it: an inadequate monitoring of the work of agencies by the ministries (with the exception of the revenues agency) and the non-achievement of national standards on local public services.

QOG Implementation capacity has worsened because the decision making process is not sufficiently inclusive, as a highly complex context would demand.

#### A short explanation of this assessment

Strategic management is far from being a common practice in Italian public administrations. The administrative culture and the prevailing legalistic background of civil servants are two good explanations, along with a slow-to-develop policy on the matter. Moreover, the ex-prime minister Renzi has centralized decision making rather than strengthening strategic planning units at the presidency of the council of ministers

and in ministries. Regarding inter-ministerial coordination, it must be acknowledged that informal mechanisms of oversight have been strengthened.

Regarding the implementation gap that characterizes the country, as already mentioned, territorial differences and strong decentralization have gone hand in hand with inadequate funding mechanisms and monitoring activities.

### **A comment on the quality/validity/relevance of these indicators for Italy**

Most of the indicators are composite indexes that encompass several and different aspects. The average score may hide important differences.

Moreover, they do not reflect the real government capacity to design consistent public policies. A better measurement would come from factual indicators that highlight the presence of common strategic objectives at the presidency of council of ministers and at the ministerial level.

## **5.5 Policy-making, coordination and regulation**

Indicator	Value 2014	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
<b>Societal consultation (1-10)</b>	4.00	21	4.00	23	0.00	-2
<b>Use of evidence based instruments (1-10)</b>	4.33	17	5.00	13	+0.67	+4
	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
<b>Regulatory quality (-2.5,+2.5)</b>	0.89	22	0.73	23	-0.16	-1
<b>Rule of law (-2.5,+2.5)</b>	0.38	25	0.25	24	-0.13	+1

**Sources:** Bertelsmann Stiftung, World Bank.

### **Assessment based on the indicators**

The indicators give a realistic portrayal of a country in which consultation of civil society and stakeholders when defining public policies is very rare. Both design and implementation of policies is addressed with a legal approach that ignores empirical evidence and pilot testing.

Societal consultation is low. The analysis of the impact of actual and alternative laws is increasing but still infrequent and mostly focused on economic rather than social and environmental aspects.

Both regulatory quality and rule of law indicators show inadequate performances in terms of compliance.

### **A short explanation of this assessment**

The quality of policy definition in Italy has not changed and the indicators highlight low levels of engagement and of evidence-based policy. One recent example is the so-called Jobs Act: during its approval, the prime minister has decided not to involve trade unions.

Regulatory impact analyses, simplified in 2007 by the Prodi government, have been more frequent in the past six years, although there has been an excessive use of law decrees, which are excluded from the application of RIA. The evaluation through RIA is often more formal than substantial and mainly based on economic indicators.

Regarding policy implementation and rule of law, the capacity to create a favourable environment for businesses has further worsened, while prevention of corruption and certainty of law have improved.

Also the study by WIFO, ZEW and IDEAConsult (2012) on excellence in public administration for competitiveness in EU Member States confirms that the use of



evidence-based steering instruments like impact assessments is slightly below the EU-average. Hence, the Italian administration still follows a quite traditional bureaucratic model of personnel steering and management.

### **A comment on the quality/validity/relevance of these indicators for Italy**

The indicators are valid and relevant for describing the capacity to design and implement public policies, highlighting, in particular, the issues of quality of laws and implementation gap. However, indicators more based on the actual situation and less on citizens' perception would be more reliable.

## **5.6 Overall government performance**

Indicator	Value 2010	EU28 rank	Value 2016	EU28 rank	Δ Value	Δ Rank
Trust in government (%)	25.00	18	15.00	24	-10.00	-6
	Value 2011	EU27 rank				
Improvement of PA over last 5 years (%)	9.00	10				
	Value 2010	EU28 rank	Value 2015	EU28 rank	Δ Value	Δ Rank
Public sector performance (1-7)	3.36	27	3.22	26	-0.14	+1
Government effectiveness (-2.5,+2.5)	0.45	26	0.45	25	0.00	+1

**Sources:** Eurobarometer 85, Eurobarometer 370, World Bank, World Economic Forum.

Trust in government has sensibly worsened. This is in line also with statistics produced by the OECD Government at a glance on confidence in government. These, moreover show that such a decrease (from 2007 to 2012) is a concern that countries that have pursued strong austerity policies have in common.

According to the WIFO, ZEW and IDEAConsult (2012) study on Excellence in public administration for competitiveness in EU Member States, the bad performance of Italy under the government effectiveness World Bank indicator is not caused by not applying management tools to improve public administration performance (like ICT applications, modern human resources management and evidence-based steering and planning instruments). This is the only dimension where the performance of the Italian public administration is at the level of the average Member states. Italy has an above average performance in the implementation of business-related e-government services considered are found fully available online.

Regarding improvement of public administration over the last five years, the perception of citizens seems to differ from the perception of civil servants. The COCOPS survey has reported a majority of respondents indicating an improvement of the way public administration runs in Italy. A report from the Netherlands Institute for Social Research (2015) shows that since 1996, Greece, Portugal and Italy have shown the largest decreases of public administration performance, while at the same time being the biggest spenders (all above 10% of GDP).

The Italian public administration has been facing continuous reforms since the early nineties in almost every public management field. Nonetheless, public sector performance, including effectiveness, does not seem affected. "Overall, the image is of a slow-moving and rather inefficient administration, although with great variation, including pockets of much more modern and innovative practice" (Pollitt and Bouckaert 2011). The implementation gap can, in part, explain this. On the other hand, perceptions depend on expectations. Public sector reforms have been promoted as revolutions in political campaigns, only to produce slight and delayed improvements.

## REFERENCES

- Anessi Pessina, E. (2002). *Principles of Public Management*. Milan: EGEA.
- Austrian Institute of Economic Research (WIFO), Center for European Economic Research (ZEW), IDEAConsult (2012), *Excellence in public administration for competitiveness in EU Member States*.
- Bordignon, M., F.M. Ambrosanio, A. Zanardi, and A. Staderini. 2007. *Fiscal federalism in Italy: Facts and issues*. Speeches given during the seminar *New Perspectives for Financial Intermediation in Economic Context Evolution*. Castello dell'Oscano-Perugia, 22-23-24 marzo 2007.
- Borgonovi, E. (2001). *Principi e sistemi aziendali per le amministrazioni pubbliche*. Egea.
- Cassese, S. (2002) 'Le nouveau régime de la haute fonction publique en Italie. Une modification constitutionnelle,' *Revue française d'administration publique*, 104(4), 677-688.
- Cepiku D., Meneguzzo M., (2011) "Public Administration Reform in Italy: A Shopping-basket Approach to the New Public Management or the New Weberianism?", in *International Journal of Public Administration*, January, Vol. 34, Issue. 1-2, pp. 19-25, DOI: 10.1080/01900692.2010.506088.
- Cepiku, D. (2013). *A Network Approach to Asymmetric Federalism: The Italian Case Study. Making Multilevel Public Management Work: Stories of Success and Failure from Europe and North America*.
- Cepiku, D., Mussari, R., & Giordano, F. (2015). *Local Governments Managing Austerity: Approaches, Determinants and Impact*. Public Administration.
- Dell'Aringa, C., C. Lucifora and F. Origo (2007). *Public sector pay and regional competitiveness. A first look at regional public and private wage differentials in Italy*. In: *The Manchester School*, vol. 75, no. 4, p. 445-478.
- EUPAN (2013), *Irish Presidency Survey on the Structure of the Civil and Public Services of the EU Member States and Accession States*. 60<sup>th</sup> EUPAN Directors General Meeting, Dublin Castle, 13th June.
- Fedele, M. (2002) *Il management delle politiche pubbliche*, Rome: Laterza.
- Gianfrancesco, E. 2010. *The implementation of Art. 116, 3 paragraph and the riequilibrium of the Italian regionalism*. In *Special autonomies and asymmetric federalism (Dossier)*, 1 (1): 178-219. Available from [http://www.italianieuropei.it/en/la-rivista/archiviodella-rivista/itemlist/category/98-italianieuropei\\_1\\_2010.html](http://www.italianieuropei.it/en/la-rivista/archiviodella-rivista/itemlist/category/98-italianieuropei_1_2010.html).
- Iannello C. (2007), *UCLG Country Profiles – Italian republic*. Available in <http://www.cities-localgovernments.org/gold/Upload/Italy.pdf>
- Kickert W., (2007), *The Study of Public Management in Europe and the US: A Competitive Analysis of National Distinctiveness*. Routledge Studies in Public Management.
- Kickert, W. (2011). *Distinctiveness of administrative reform in Greece, Italy, Portugal and Spain. Common characteristics of context, administrations and reforms*. *Public Administration*, 89(3), 801-818.
- Kickert, W. J. (2005). *Distinctiveness in the study of public management in Europe: a historical-institutional analysis of France, Germany and Italy*. *Public management review*, 7(4), 537-563.
- Kuhlmann, S., & Wollmann, H. (2014). *Introduction to comparative public administration: Administrative systems and reforms in Europe*. Edward Elgar Publishing.
- Matheson, A. et al. (2007), "Study on the Political Involvement in Senior Staffing and on the Delineation of Responsibilities Between Ministers and Senior Civil Servants", OECD

Working Papers on Public Governance, 2007/6, OECD Publishing.  
doi:10.1787/136274825752

Melis, G. (1996) *Storie dell'amministrazione italiana*, Bologna: Il Mulino.

Meneguzzo M. (2007) "The study of public management in Italy" in Kickert, W. (Ed.). *The study of public management in Europe and the US: a competitive analysis of national distinctiveness*. Routledge.

Mussari, R., & Giordano, F. (2013). *Emerging issues in Italian fiscal federalism: The case of municipalities. Making multilevel public management work: Stories of success and failure from Europe and North America*.

OECD (2014) 33<sup>rd</sup> meeting of Senior Officials from Centres of Government. Paris.

OECD (2016), *Engaging Public Employees for a High-Performing Civil Service*, OECD Public Governance Reviews, OECD Publishing, Paris.  
<http://dx.doi.org/10.1787/9789264267190-en>

OECD (Organisation for Economic Co-operation and Development). (2012). *Restoring Public Finances*, Journal on Budgeting, 2, Paris: OECD.

Ongaro E., Valotti G. (2008), "Public management reform in Italy: explaining the implementation gap", *International Journal of Public Sector Management*, Vol. 21 Iss: 2, pp.174 – 204.

Ongaro, E. (2009). *Public management reform and modernization: trajectories of administrative change in Italy, France, Greece, Portugal and Spain*. Edward Elgar Publishing.

Ongaro, E. (2011). The role of politics and institutions in the Italian administrative reform trajectory. *Public Administration*, 89(3), 738-755.

Paolo F., Galli D., Ongaro E. (2007) *Disaggregation, autonomy and re-regulation, contractualism*, *Public Management Review*, 9:4, 557-585.

Peters, B. G., Dahlström, C., & Pierre, J. (Eds.). (2011). *Steering from the centre: Strengthening political control in western democracies*. University of Toronto Press.

Pollitt, C., & Bouckaert, G. (2011). *Public Management Reform: A comparative analysis - new public management, governance, and the Neo-Weberian state*. Oxford University Press.

Putnam, R. D., Leonardi, R., & Nanetti, R. Y. (1994). *Making democracy work: Civic traditions in modern Italy*. Princeton university press.

SAFEGE Baltija (2015) *Report on Centres of Government in the EU Member States*. Unpublished.

Sotiropoulos, D.A. 2004. 'Southern European Public Bureaucracies in Comparative Perspective', *West European Politics*, 27, 3, 405-422.

The Netherlands Institute for Social Research (2015), *Public sector achievement in 36 countries. A comparative assessment of inputs, outputs and outcomes*.

Van der Meer, F. M., Raadschelders, J., & Toonen, T. (Eds.). (2015). *Comparative civil service systems in the 21st century*. Springer.

Van Thiel, S. (2011). Comparing agencification in Central Eastern European and Western European countries: fundamentally alike in unimportant respects?. *Transylvanian Review of Administrative Sciences*, 7(SI), 15-32.

## **Getting in touch with the EU**

### **In person**

All over the European Union there are hundreds of Europe Direct Information Centres. You can find the address of the centre nearest you at: <http://europa.eu/contact>

### **On the phone or by e-mail**

Europe Direct is a service that answers your questions about the European Union. You can contact this service

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by electronic mail via: <http://europa.eu/contact>

## **Finding information about the EU**

### **Online**

Information about the European Union in all the official languages of the EU is available on the Europa website at: <http://europa.eu>

### **EU Publications**

You can download or order free and priced EU publications from EU Bookshop at: <http://bookshop.europa.eu>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see <http://europa.eu/contact>)

### **EU law and related documents**

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

### **Open data from the EU**

The EU Open Data Portal (<http://data.europa.eu/euodp/en/data>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

