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THE ITALIAN PATH TO ADMINISTRATIVE REFORM

MARIO SAVINO*

SUMMARY: 1. Reforms and change. - 2. Three cycles of reform. - 2.1. The Cassese reforms (1993-1994). - 2.2. The Bassanini reforms (1996-2001). - 2.3. Recent reforms (2002-2011). - 3. Three types of dysfunction. - 3.1. An administration without a center. - 3.2. An administration without quality. - 3.3. An administration without a compass. - 4. Three vices of the Italian reformer. - 4.1. Abstractness. - 4.2. *Laissez-faire*. - 4.3. Majoritarian bias. - 5. Conclusion.

1. REFORMS AND CHANGE

AN administration without a center, without quality, without compass. This was the Italian administrative system two decades ago, before the era of administrative reforms began. And thus it remains today, despite the many reforms that have been announced, initiated and occasionally implemented since the 1990s. During this period, of course, many things have changed. The constitutional context in which the administration operates has been reshaped. The Italian administrative system itself is much more complex and differentiated, more transparent and open to dialogue with private parties. Why, then, and in what sense, are the traditional flaws of the administrative State still present? The aim of this chapter is to provide a preliminary answer to this question, by identifying the main traditional failures of the Italian administrative system and ascertaining how the recent reforms have impacted upon them.

2. THREE CYCLES OF REFORM

Until the 1980s, very limited reforms were carried out. Only two laws on "para-State" entities (1956 and 1975), two regionalization attempts (1971 and 1976), the reorganization of the Presidency of the Council (1988), two laws concerning the *fonction publique* (one establishing a

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separate category of high civil servants in 1972, and the other regulating the *status* of public employees in 1983) deserve a mention. With the exception of the *Giannini Report* (1979), projects of reform have tended to focus on very specific aspects. Broader projects have been quickly dismantled, ending up with narrow regulations. Reforms were "captured" by the "internal voices" (*i.e.* the demands of the administrative personnel), with predictably negative outcomes for the overall efficiency of the system.

The transition to the 1990s ushered in a new era. A number of factors - internal pressures (such as the fight against corruption), external input (such as those connected to membership of the European Monetary Union), a stronger political commitment to reform the administration (particularly by the so-called "technical governments") and other institutional changes (the most important of which was the shift from a proportional to a majoritarian electoral system) - yielded a period of intensive reform.

At the beginning of the 1990s, some fundamental legislative acts have been adopted: law n. 142/1990, on the local administrative system; law n. 241/1990, setting out a general framework for administrative procedure; and legislative decree n. 29/1993, promoting the "privatization" of public employment. These measures, despite being adopted without any integrated program for reform, affect crucial junctions of the crystallized administrative engine. Thereafter, three successive rounds of reform followed, in the years 1993-1994, 1996-2001 and 2002-2011 respectively. Each cycle exhibited specific features with regard to the idea of administration, the approach adopted and the method of reform.

2.1. The Cassese Reforms (1993-1994)

The first cycle coincides with the tenure of the Ciampi government, which served for little more than one year (from 28 April 1993 to 10 May 1994). During that short period, an overall project for reform, drafted by the Public Service Minister Sabino Cassese, was designed and partially implemented. The project revolved around two ideas. The first was to grant the administration (more) autonomy from politics: the need to "depoliticize" was particularly pressing during the years of *Tangentopoli*, during which the dominant political parties were swept away. The second was to put the citizen "in the driver's seat", by promoting the market-based concept that the core mission of the public administration is to provide services to citizens-users. These ideas are mutually reinforcing: in order to better understand and serve the needs of the citizens, the administration

should get closer to them and, thus, further from politics; only then, in fact, can it act impartially, conducting its managerial activity free from the political bias of the government of the day. In such a context, strong independent regulatory authorities were established, together with the Citizen's charter (*Carta dei servizi*), and a clearer divide (in terms of functions) between the high civil servants and the ministries was introduced.

The approach to reform reflected this view. The "slimming therapy" imposed on the administration was perceived not only as a chance to save public resources, but also to redefine and to modernize its modes of action. The ultimate aim was to improve the performance of the administrative services through the introduction of Citizen's charters, the transition from an *ex ante* legality scrutiny to an *ex post* assessment of outcomes, and the "reduction" of the more authoritarian elements of administrative practice by means of a liberalization and a simplification of procedures. Such an "institutional" approach placed great emphasis on a detailed understanding of the administrative machine, on the impact and possible implications of the proposed changes, as well as on the need to couple this re-engineering of structures and processes with parallel changes in the values underlying administrative action.

The methodology was also consistent with this approach. Before any reform was designed, an in-depth analysis of the State machine was carried out, aimed at identifying the main dysfunctions. The result of the study was framed in a key Report on the Conditions of the Public Administrations¹, which remains today the main point of reference for anyone wishing to understand the "evils" of the Italian administrative system. Following this diagnosis of the main problems, the proper "treatment" was set out in the Guidelines for the Modernization of the Public Administrations². The implementation process was impaired by the short life of the Ciampi government, which left an important legacy nonetheless: for the first time, administrative reforms had become a central issue, both in public debate and in the governmental agenda.

¹ Dipartimento della funzione pubblica, *Rapporto sulle condizioni delle pubbliche amministrazioni*, Roma, 1993.

² Dipartimento della funzione pubblica, *Indirizzi per la modernizzazione delle pubbliche amministrazioni*, Roma, 1993.

2.2. The Bassanini Reforms (1996-2001)

After three years of stasis, the Prodi government resumed the reform process. The driving force, once again, was the Public Service Ministry, chaired by Franco Bassanini. The new cycle (1996-2001) seemed to be largely a continuation of the previous one: it advanced the privatization of public employment, continued the policy of procedural simplification, and completed the reorganization of the control system. However, the basic coordinates began to change.

Firstly, the idea of the administration as an instrument of the government started to gain ground. The 1998-1999 reform of the high civil service introduced new tools - the "spoils system" and the temporal limitation of the contracts of top administrative officials - that paved the way to a new phase of political interference over public administration. The end of the era of technical governments and the transition to a majoritarian electoral system marked the triumph of partisan politics. The independence of the authorities regulating public utilities came under attack: energy and telecommunications agencies were forced to transfer some of their most important powers back to the government. The emphasis on the "customer orientation" of the administration gradually faded away, as evidenced by the lack of rigor that accompanied the implementation of the Citizen's charters.

Secondly, the focus of the reform process shifted from the dynamic elements of administration (*i.e.* administrative services and procedures) to the static ones (*i.e.* redistribution of functions and reorganization of structures). Despite the introduction of an annual simplification law, the policy of simplifying procedures gradually lost its grip, and a new, ambitious project - labeled "administrative federalism" - began to dominate the scene. The new priority was to devolve State management tasks (and resources) to regions and local authorities, and, at the same time, to downsize the old-fashioned ministerial apparatuses.

Finally, the methodology adopted changed. There was neither a prior recognition of the problems to be addressed, nor an open parliamentary debate. The broad plan of reforms initiated a few years previously by the Ciampi government had met the firm opposition of the civil servants, who were worried about losing their long-standing privileges. For this reason, the Prodi government opted for a "covered" strategy. General measures took shape at informal meetings of a select group of ministers and senior officials in the *Palazzo Chigi* and *Palazzo Vidoni*. Those measures were then approved, with little parliamentary discussion, in the form of what

one commentator has referred to as “mother laws” (the so-called “Bassanini laws”), which in turn delegated the task of fleshing out the details.

2.3. Recent Reforms (2002-2011)

The third cycle covers the period 2002-2011. If reforms are understood as a set of measures included in a coherent plan for the modernization of public administration, then this period is one of non-reform. Neither the center-right executive, governing from 2001 to 2006 and then from 2008 onwards, nor the center-left executive, which held office for two years (2006-2008), have defined and carried out an organic plan of administrative reforms.

Nonetheless, some relevant measures have been adopted, mainly to complete reforms launched in the two previous cycles. Those measures concern, for instance, the high civil service, administrative and fiscal federalism, the reorganization of ministries, information technology, and the simplification of procedures and regulations. Despite the absence of a comprehensive agenda of reforms, the measures adopted share a common inspiration, made more explicit in the programs of the Berlusconi government (2008-2011): the administrative system is more and more perceived to be a stronghold of the government of the day. It is enough to mention the recurrent attempts to further subjugate high-level civil servants to the will of the executive, both at the central and regional levels: only the intervention of the Constitutional Court in the name of administrative impartiality and effectiveness has set a limit to the pervasiveness of the fiduciary relationship as a criterion for the selection of senior officials.

Objectives, in the absence of an overall plan, have been diversified. Administrative and fiscal federalism represents the main political goal of the center-right executive, still far from being successfully implemented. *Ad-hoc* plans of simplification and information technology improvements are also recurrent: their purpose is to revive the increasingly tarnished image of an administration at the service of its citizens and to tame the expectations of the business community.

The logic of “cuts” is the leading strategy of reform. The high public debt and the economic crisis that began in 2008 has led to multiple measures aimed at cutting budgets, expenses, human resources, entities, and administrative burdens. Some sectors have become favorite targets: not only universities, education and culture, but also - somewhat paradoxically, given the “securitarian” and federalist mantras inspiring the governing center-right coalition - police and local administrations have been particu-

larly affected. This "cutting" policy is neither the outcome of a careful spending review, nor part of a project of modernization: apart from the goals - not particularly new - of reducing absenteeism in the workplace and introducing performance-related incentives, no substantive reform - looking to design an administrative system that is not only more economic, but also more efficient and effective - is in sight. The idea that the administration should provide quality services is almost entirely absent.

A clear anti-bureaucratic and anti-statist vision has, therefore, emerged, trumping the need for a careful assessment of the key dysfunctions within the administrative system. Diagnosis and treatment promptly follow: the public administration itself is a site of unjustified privilege and the shelter for "laziness", and thus a burden, both on citizens and on business, that must be removed.

3. THREE TYPES OF DYSFUNCTION

Despite the three cycles of reform that have occurred in the last twenty years, many of the old dysfunctions have survived and, in some ways, been exacerbated. Of these, three are particularly important: the weakness of the central government and the resulting functional disorder; the disregard for the quality of resources employed; and the absence of a general guiding principle for administrative action.

In this new context, however, old problems have taken on new features. In the last two decades, new trends have affected the Italian administrative system: it has lost its compact and uniform character, and has become instead polycentric and polymorphic; it is no longer centralized, but decentralized; it is less self-referential and more open, including numerous links to supra-state entities; it intermingles with the private sector both within and without the State, making the boundaries of the system more and more fluctuant.

3.1. An Administration Without a Center

The new public management model - a paradigm that dominated the agenda of administrative reforms in most OECD countries during the 1990s - accepts and promotes the idea of organizational fragmentation: "small is better". Accordingly, the ideal-type of an administrative unit is non-hierarchical, with a small number of intermediate levels between the top and the bottom (flat organization), and a high level of autonomy. For such a fragmented administrative system to work properly, a rational dis-

tribution of functions and a strong center of command capable of coordinating administrative actions are necessary.

Traditionally, the Italian administrative system has satisfied neither of these conditions³. Nowadays, its main fault remains the irrational distribution of functions among units and the weakness of the coordinating center.

Over the past two decades, there have been attempts to rationalize the system. The most distinctive element of recent reforms - especially in the 1990s - lies, perhaps, in the attention devoted to the problem of functional disorder. A composite strategy has been developed, targeting three different aspects of public administration: first, the relationship between management and regulatory functions, in order to reduce the "managerial State" and to strengthen (*i.e.* de-politicize) the emerging "regulatory state"; second, the relationship between operational and strategic functions, in order to streamline the ministerial apparatus and turn it into a strategic center; third, the relationship between the roles of various ministries, in order to regroup them along more rational lines.

The first line of reform has affected the balance between the State and the market. In a system where the State had dominated the public utilities, the management of those services - ranging from telecommunication to energy and transport - has been gradually returned to the market by way of a consistent program of privatization. At the same time, the government, as the owner of relevant public companies, has gradually (although not yet completely) ceased to regulate those markets: that task has instead been allotted to independent regulatory authorities. In this way, the problem stemming from the simultaneous co-existence of managerial and regulatory functions in the hands of the executive has been reduced, but not solved: the transition from the "managerial State" to the "regulatory State" is still incomplete, and is now facing reversal as a result of the global economic crisis.

The second element of the composite reform strategy is more complex. In order to strengthen the government as a strategic center of coordination, two main technics have been employed. One is decentralization in the form of administrative federalism (that is, the shift of management functions from the center to the territorial entities). The other is de-concentration of power by means of "agencification" (that is, the transferal to newly created agencies of ministerial functions that are technical-operational in character). However, after more than a decade of attempts and corrections, the results are not particularly encouraging. On the one hand, the large-

³ S. CASSESE, *Il sistema amministrativo italiano*, Bologna, 1983, p. 275.

scale decentralization of functions, first envisioned by the Bassanini reforms and then enshrined in the new Title V of the Italian Constitution, occurred only to a limited extent. On the other hand, the program of agencification - borrowed from the British experience with its so-called "Next Steps Agencies" - has produced little results: only few agencies are still active and most of them enjoy a very limited degree of autonomy from the relevant ministry.

The third element works towards the re-allocation of responsibilities between ministries according to their functional competence, in order to speed up administrative action and to facilitate intra-government coordination. The reorganization process sought to promote three major changes: the merging of ministries with overlapping roles; the restructuring of ministries into different departments (until then set up in general directorates); and the re-establishment of the Presidency of the Council of Ministers as the central institution providing overall guidance to and coordination of ministerial activities. Now, only a short time later, few traces of this ambitious project remain. The overall number of ministries has been reduced. Some ministries have merged together into bigger ones, which, however, are the outcome of a mechanic assemblage of the pre-existing apparatuses. Moreover, the opportunity offered by the departmentalization was not taken: here again, the few newly-established departments have simply been superimposed upon the pre-existing directorates, most of which still survive. Finally, the Presidency of the Council of Ministers has not been able to impose itself as either a driving force or oversight body for ministerial action. In short, the rigidity of the pre-existing institutional framework has meant that neither a rationalization nor a down-sizing has been achieved, despite the parallel transfer of functions to independent regulators, territorial entities and the private sector.

The fact that the most important reforms initiated in the 1990s have largely remained on the paper has had two consequences. First, compared to the 1980s, the main pathology of the Italian administrative system - the irrational allocation of functions - seems to have been aggravated. Despite the transition from the "managerial State" to a "regulatory State" that is independent from the government, the distribution of ministerial competences has not been streamlined - either directly with the reform of ministries, or indirectly through the process of decentralization. Moreover, the duplication of functions between different levels of government has increased.

The second consequence is that the central core of the Italian administrative system remains dominant in terms of human and financial resources, yet is practically devoid of functions and largely unable to coor-

dinate administrative action. In 1983, 54% of civil servants worked for the central government⁴. Twenty-five years later, despite privatization and decentralization, this figure had risen to 56%. The center consumes a high amount of financial resources: more than 46.1% of the total expenditure (significantly higher than the 25.2% used by territorial authorities and the 28.7% allocated to social security funds)⁵. The "old" ministerial center, hence, continues to expand, imprisoned in a bureaucratic vicious circle that makes it less and less efficient, whereas "new" administrative bodies - such as the independent regulatory authorities - gain autonomy *vis-à-vis* that center, strengthen links with the European Union level, and improve their capacity through the supranational regulatory networks in which they are involved.

In conclusion, the State administration continues to be "a giant with feet of clay", so impressive in size, yet so lacking in actual capacity to govern. It perpetuates the *insigne faiblesse* of the Italian State: weakened by its late unification and by the persistence of the particularistic tradition dating back to the age of the city states, the State even today lacks strong governing capacity, and is thus unable to provide guidance and coordination. A command center is lacking; and, due to functional fragmentation, the levers of command themselves are also missing. Polycentrism thus results in the fragmentation of both public action and responsibility.

3.2. *An Administration Without Quality*

Many experts claim that the Italian administration pays little attention to the results it generates. Even more alarming, however, is its indifference to issues of quality in its actions. The manner in which transactions between the State and society are structured aptly illustrates the point.

Firstly, there is the manner in which public authorities select their human resources. The Constitution imposes competitive procedures for the recruitment of the personnel. This method is based on the principle of merit, which helps to strike a balance between the interests of citizens to access public employment on an equal basis and the interest of the administration to use the best social resources to promote public welfare. Nonetheless, in administrative practice, the application of the principle of merit proves to be the exception rather than the rule. Competitive procedures are

⁴ Dipartimento della funzione pubblica, *Rapporto sulle condizioni delle pubbliche amministrazioni*, cit., p. 213.

⁵ Istat, *Statistiche delle amministrazioni pubbliche*, Roma, 2007.

very often restricted to "insiders", in order to get ahead in their career. Other times, those working in the administration on a temporary basis have their status "stabilized" *ex lege*, in this way becoming part of the (permanent) civil service without undergoing the normal scrutiny.

One might expect that the selection of public managers - the administrative *élite* - is more attentive to the quality of the individuals involved. Yet, here again, the merit system applies only residually; and, in this respect, the picture is even darker than it was twenty years ago. By that time, the governing coalition had agreed not to interfere with the careers of high civil servants, in exchange for support. Since the end of the 1990s, legislative measures aimed at increasing the political control over the administration have introduced various kinds of spoils systems both at central and at local levels. As a consequence, personal trust - rather than merit - has emerged as the prevailing criterion for selecting high civil servants. The Constitutional Court has stopped and partially reversed this trend. Nonetheless, it is hard to imagine how a real administrative *élite*, with a high cultural profile and a strong sense of public mission, might evolve if partisan political interference becomes the norm, systematically frustrating the principle of impartiality that the Constitution requires. And it is even harder to imagine how the current system might sustain - as happens elsewhere - an incremental process of modernization, by driving administrative reforms from below and shielding them from the destabilizing effects of the electoral cycle. In short, the *noblesse d'Etat* that populates the *Grand Corps* of the French State is dramatically absent in Italy.

Finally, the ways in which the administration selects the goods and services that it needs also show a general indifference to quality. Compared to twenty years ago, progress is undeniable. Due to the influence of European Community law, the choice of suppliers is no longer arbitrary, nor driven by nepotism or patronage: open competitive calls represent the new rule. Here, however, another peculiar feature of the Italian legal culture - namely, formalism - has come to the fore. The Italian public procurement regime is marked by a meticulous pre-determination of the award criteria. This distrust in the proper exercise of administrative discretion induces the legislature to dictate a rigid regime in which the quality parameters are secondary, due to the simple fact that it is often more difficult to define quality than quantity.

There are, therefore, numerous reasons why different aspects of the Italian administration are lacking in quality. Budget constraints and political pressures converge with the interests of insiders, united by the belief that the goal of public bodies is to provide wealth to private individuals, even at the expenses of society at large. The reaction - when there is one -

is usually a variation on the theme that cutting public budgets is better than monitoring their use: far from strengthening the public *ethos* and improving the services provided to citizens, this reduces the quality of both.

The lack of quality leads to further consequences. First, the public administration is still perceived as "a field hospital", which gives shelter to "those injured in the economy's great leap forward... those who would otherwise inevitably have been excluded for geographical, historical and social reasons"⁶: a creative, albeit dysfunctional, way of interpreting the mission of the Welfare State⁷. Second, by providing this social support to the "underserving", public authorities inefficiently use public resources⁸. Third, the resulting redistribution of wealth functions to the detriment of the productive part of society, with negative repercussions on the relations between administrative action and economic development⁹. Fourth, absent those elements (*e.g.* mass parties, uniformity of State rules, expansion of the middle class) that had previously acted as social "glue", a deep rift has emerged: on the one hand, an introverted administrative system continues to defend the privileges of insiders; on the other, many in civil society find themselves without social or economic guarantees in a rapidly changing context. One symptom of this separation - and the exasperation that it produces - is the ease with which anti-bureaucratic campaigns take root in public opinion; to many workers, the privileges of civil servants seem less and less acceptable because their own future promises not improvement but rather increasing deprivation.

3.3. An Administration Without a Compass

According to the formal-rational paradigm, with its objective conception of bureaucratic action, the civil servant should be guided by a sense of hierarchy and the pursuit of the public interest. In Italy, however, this is not the case. There is widespread awareness that "in an era of increasingly

⁶ G. MELIS, *Storia dell'amministrazione italiana*, Bologna, 1996, p. 535.

⁷ According to the World Economic Forum, *The Global Competitiveness Report 2010-2011*, p. 372, Italy ranks 115th, out of 139 countries, for the (perceived) favoritism of government officials with regard to well-connected firms and individuals.

⁸ Italy is ranked 108th out of 139 countries in terms of (perceived) public spending inefficiency (*Ibidem*, p. 373).

⁹ Italy ranks 133rd out of 139 countries in relation to the (perceived) burden that government regulation imposes on businesses (*Ibidem*, p. 374).

complex state structures, and a particularistic culture now deeply rooted both within and outwith the administration, the time for the great 'Weberian leap' [has] passed."¹⁰

In the Italian bureaucracy, characterized by the dominant presence of individuals from the poorer "South", the prevailing culture "is inspired by the ideology of the 'permanent job'. The job is the position itself, not the function. The conception of the role (or mission) of the administration is absent. It is a cultural model typical of the rural world, possessive (...) inclined to 'live and let live', to postpone until tomorrow, to wait for someone else to ask, and always ready to negotiate. Thus, [it is] the antithesis of the Weberian model of administration. A type of administration that is not based on the formal-rational model, but rather on contractual-conventional form of authority."¹¹

Various reforms have sought to instigate a process of cultural renewal, by giving new meaning to the administrative mission: to serve the citizens and to pay attention to the actual satisfaction of customers' needs. This attempt, however, has clashed with the reality of a legalistic administration that is not accustomed to quality and, hence, is reluctant to consider the results of its action and the citizens' satisfaction.

Many good ideas for reform have been "harnessed" in their practical application within the double circuit of formalism and "familism". For instance, the replacement of *ex ante* legality controls (which largely accentuated the formalist bias of public employees) with *ex post* performance review has in practice meant discarding the former without ever making the latter work. Similarly, the introduction of the principle of transparency - which would have strengthened administrative citizenship - has been jeopardized by formalism and a traditional attitude in favor of opacity. Lastly, the case of Citizen's charters is instructive: adoption has been widespread, but their contents are often empty formulas, devoid of mechanisms of effective redress for failures to meet quality standards.

Ideas of the public interest do not provide the necessary guidance. Within the administrative apparatus, open displays of attachment to the general interest are perceived as symptomatic of an idealistic, unrealistic, or distrustful attitude which is considered - at best - a sign of inexperience. The bureaucrat, far from placing the citizen "in the driver's seat", assumes

¹⁰ P. GINSBORG, *L'Italia del tempo presente. Famiglia, società civile, Stato. 1980-1996*, Milano, 1998, p. 419.

¹¹ S. CASSESE, Il sistema amministrativo italiano, ovvero l'arte di arrangiarsi, in: *L'amministrazione pubblica italiana. Un profilo*, a cura di S. CASSESE / C. FRANCHINI, Bologna, 1994, p. 17.

that he has to wait, patiently and gratefully, for his request to be processed by the slow State machine.

In the absence of a guiding principle, financial leverage becomes the true instrument of command and control. Through its power to allocate resources, the State administration - more accurately, the Ministry of Economy and Finance - imposes its own will upon other public bodies. This makes administrative services contingent on the availability of financial resources, whereas the rule should be the opposite: resources should be made available to ensure the effective provision of services. The "power of the purse" becomes the true "lever" of administrative action.

In brief, the Italian administrative system not only lacks quality, but also a "compass". There is no overarching goal to guide administrative units in their choices. The causes of this disorientation are many and varied.

The main one is the absence of a public ethics, that is, of a moral code specific to those working in the public sector. This gap is filled by the perverse combination of legalism and formalism. Laws, rather than indicating the ends to be achieved, focus on the means: general distrust of the administration induces the legislature to limit the discretion through the formulation of meticulous precepts. In return, the bureaucracies interpret these precepts in a manner that manages to be simultaneously formalistic and discretionary: it proclaims rigid adherence to the legal text, while betraying its rationale. Accordingly, "*la règle est rigide, la pratique molle*."

Another confounding factor is the tension between responsiveness to the government of the day and impartiality towards citizens' requests. Instead of being responsive to the governing political majority, the administration is "captured" by it. Civil servants, who see their careers as dependent on the good will of the government, allow politicians to interfere in administrative decisions, thus enabling partisan politics to prevail over the principle of impartiality.

4. THREE VICES OF THE ITALIAN REFORMER

Having ascertained that many reforms have been promulgated, and that most of the traditional problems of the Italian administrative system remain nonetheless, the question arises: Why is this the case? For what reasons have the administrative reforms of the past twenty-five years, however well-crafted and even far-sighted, failed?

4.1. Abstractness

A first explanation concerns the way in which reforms take shape. Usually, they are promoted from the top, designed by a small circle of "wise men" (ministers or senior officials), with very limited input from those administrative bodies on whose legs the reforms must then walk. This top-down approach has come under growing criticism. The ideas upon which the project of modernization is based, however enlightened, have more often than not dissolved upon coming into contact with the resistance and the complexity of the administrative machine. As both experience and comparative analysis show, reforms are more likely to be successful when they induce a process of spontaneous implementation and adaptation from the bottom up, that is, from the administration itself. Conversely, centralization may hamper the process of change, insofar as it discourages autonomy and capacity for self-reform within the administrative units.

Moreover, a bottom-up approach can only succeed where a culture of good administration has developed and an administrative *élite*, with leadership capacity, is in place. In Italy, these conditions are lacking or, at best, unevenly distributed. Administrative federalism and various sectoral reforms have increased the autonomy of individual administrative units. Nowadays, regional and local authorities, health centers, schools, universities and other public entities are often able to promote self-reform experiments without having to wait for permission from the center. When this chance is taken, results are mixed. Best practices, *i.e.* local experiences of modernization and innovational success, tend to condense in areas (especially in the northern part of the country) that traditionally harbor a stronger tradition of good administration. Elsewhere, by contrast, autonomy has produced predictable failures and degeneration, which in turn induced a backflow of power to the center.

Of course, managing reforms is not an easy task, in Italy as elsewhere. In Western legal systems, major modernization projects tend to be dropped from "above" on to the administrative apparatus. This widespread tendency is on occasion the result of a simplistic Rousseauian assumption, according to which policy choices - and, hence, decisions on reforms - belong to political majorities (*i.e.*, to governments), while the administration should play a merely implementing role. At other times, by contrast, top-down approaches are a pragmatic way of avoiding a dilution of the contents of the

reform project: a predictable outcome when measures have to be negotiated with the administrative units concerned¹².

The specificity of the Italian problem lies elsewhere: namely, in what we might describe as "legislative idealism". In Italy, reforms must be expressed in laws. No reform is perceived as such if it is not enshrined in a legislative instrument. And the opposite is also true: once a bill is enacted, there is a tendency to assume that the reality magically conforms to the legislative design, as if "all that is legal is real". This Hegelian dogmatism helps to explain why many reforms exist on paper only: statutes do not provide for the necessary implementing mechanisms and time-scales, and the administrative authorities that should enforce those provisions, not having been involved in the elaboration of the plan, resist its realization.

4.2. Laissez-faire

The modernization of the Italian administrative system needs no longer be implemented by means of new legislation. A major difference, compared to the 1980s, lies precisely in the wealth of regulatory tools now available to governments. By contrast, what requires attention now is the implementation process. More precisely, an attitude of "reform-mongering" is needed: the ability to build alliances that weaken veto-powers and to identify, by negotiating with administrative units and involving citizens, effective ways of operationalizing reform plans¹³.

Let us take into consideration the ministerial reorganization that took place in 1999. That reform was intended to reshape a system that has not changed since the days of Cavour, and is populated by more than half of all public sector employees. It was easy to predict that resistance to change would have been strong. While steady and coherent guidance was required in order to safeguard a basic degree of uniformity, implementation was left to individual ministries. Each one proceeded independently, without any guidance from the reform-designer (the Public Service Ministry). As a result, *ad hoc* organizational arrangements were adopted to appease conservative forces, with the disappointing consequences outlined above (*supra*, § 2.1).

¹² On the many contradictions affecting approaches to reform, see V. WRIGHT, *The Paradoxes of Administrative Reform*, in: W.J. KICKERT (ed.), *Public Management and Administrative Reform in Western Europe*, Northampton, 1997, p. 9.

¹³ A.O. HIRSHMAN, *Come far passare le riforme*, Bologna, 1990, p. 31.

This case clearly demonstrates the emergence of a new "vice" within the Italian administration: "the triumph of spontaneity, the discovery of administrative *laissez-faire*."¹⁴ In the past, the absence of reforms helped to entrench power structures. During the last twenty years, however, a state of permanent reform has arisen; and this has granted bureaucracies new margins of autonomy, creativity, and self-preservation, leading to the consolidation of those private vices that do not translate into public virtues.

4.3. Majoritarian Bias

The close succession of center-right and center-left governing coalitions since the mid-1990s has had a contradictory impact on administrative reforms. On the one hand, it has facilitated the reform process: governments pay more attention to bureaucratic inefficiency and pass several pieces of legislation aimed at administrative modernization. On the other hand, however, immobility has been transformed into a hyper-activism, with the result that every change in governing coalition results in a rejection of the previous plan for reform and in the elaboration of a new one. In other words, the logic of alternation destabilizes reform processes. In turn, this generates a "saturation psychosis" in the public sector: "when rulers change, as frequently they do, they have reform proposals of their own and often abandon their predecessors' reforms without caring whether they are working out. When governments do this in quick succession, administrators throw up their hands until the dust settles."¹⁵

Unfortunately, there are signs that this trend is becoming more pronounced. Confronted with center-left governments that are more open to the claims of public employees and less hostile towards "the public" as such, center-right coalitions tend, as mentioned above, to be firm advocates of an anti-statist and anti-bureaucratic vision, insisting that cuts in public expenditure and a "rolling back" of the State are the appropriate remedies.

Like most radical "cures", this last perspective is also simplistic. Contrary to popular belief, the Italian administration does not seem to suffer from gigantism. Six out of every 100 inhabitants work in the administration. This figure, significantly down in comparison to 1990, is 30% below

¹⁴ S. CASSESE, *Modelli del centro?*, in: *Giornale di diritto amministrativo*, 2004, 1041.

¹⁵ G.E. CAIDEN, *Administrative Reform. Proceed with Caution*, in: *International Journal of Public Administration*, 1999, vol. 22, p. 824.

the average of EU countries, with Italy ranking second lowest of all Member States. The costs of bureaucracy have risen in absolute terms: in 1990 an Italian citizen spent on administration around half of what he spends today (some 12,500 euros per year). Nonetheless, among the 27 EU countries, Italy still only ranks 12th in this regard, behind the other major European countries (France, the United Kingdom, Spain, and Germany)¹⁶. As noted previously, the Italian central government, for the most part, maintains and manages itself.

Therefore, while cuts may help to restore correspondence between ends (administrative functions) and means (resources available), and may also force bureaucratic apparatuses to self-reform, administrative performance can only be improved by crafting precision instruments to operate on the contorted circuits of the State machinery. In order to do this, it is not enough to cut down on some resource use. However, the recurring logic of political alternation and antagonism, combined with the increasing distance between the interests of public employees and those of citizens, militates against this being achieved.

5. CONCLUSION

The age of administrative reforms, begun in the 1990s, has radically changed the regulatory framework in which Italian public administrative bodies operate. They have also partially changed the bureaucratic ethos, initiating a turnaround in the relationship between formalism and customer orientation. Furthermore, important elements of the administrative mosaic - independent regulatory authorities, administrative agencies, regional and local levels of government, entities providing economic and social services - have gained autonomy from the central State, increasing the differentiation and complexity of the system.

Despite this, the traditional problems remain surprisingly unchanged in their basic characteristics, sometimes creating further problems. This is the result of a perverse combination of different factors: the conflation between administration and politics, the entrenchment of the "internal voices", and an administrative leadership with no cultural identity and no sense of the public mission. Stakeholders (the citizens) remain skeptical of - if not hostile to - the administration; and, reluctant to enforce their rights, end up resorting instead to the tried-and-tested practices of political patronage and nepotism.

¹⁶ Istat, *100 statistiche per l'Italia. Finanza Pubblica*, Roma, 2008, p. 5.

Administrative reforms have failed to make a dent in this consolidated structure. Why? Cultural flaws have played a crucial role. Once transposed into legislation, ideas of change have not been patiently cultivated and adapted to reality: the notion that reforms have to be managed appears foreign to the Italian reformer. What is more, shifting governing coalitions have launched and abandoned several modernization projects in quick succession; and this has inevitably caused a "reject reaction" even on the part of administrative bodies that were more open to change.

For effective reform to take place, a few good pieces of legislation are not enough. Reforms do not end - but rather start - with the adoption of a law. Something more is needed, a number of elements that the Italian system currently lacks: first, a steering body that is willing and able to coordinate the process, to negotiate pragmatic solutions, and to involve the administrative units concerned in these activities; second, public managers with leadership abilities and the capacity to adapt abstract ideas to complex administrative realities; and finally, an administrative culture that drives reform processes towards the goal of better providing better services to citizens, rather than that of protecting the privileges of insiders.

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