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Shifts in autonomy, responsibility and control from centre to periphery in public administration: the case of the ministry of finance in Italy

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Abstract

In tackling administrative reform and in the hope of improving the effective allocation of resources, most European governments have shown a growing interest in adopting private sector management models in the public administration. The assumption underlying this paper is that the decisive variables in the different national contexts have to do with the relationships between the central and the peripheral administrative levels, and the way in which administrative actors at the two levels interpret their roles and participate in the reform process. The paper examines the case of the reform of the Italian Ministry of Finance. In seeking to improve its performance and the services it provides, the ministry reform is intended to introduce a management system in which the key concepts are the planning, programming and control of administrative action and results. According to reform rhetoric, shaping a new class of administrative managers at the local level is the crux of the question. However, research results hint that the "creation" of this new local executive staff is yet to be completed. The working hypothesis advanced is that this is due to local executives' lack of confidence in the "system", inasmuch as the reform process has so far been characterised by a tendency to give them responsibility without autonomy and autonomy without control. The greater their lack of trust, the lesser their willingness to risk the consequences of failure and the greater their tendency to stick to defensive positions and to return to previous "bureaucratic" conceptions and ways of operating. © 2000 Published by Elsevier Science Ltd.

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1. The problem

Over the last few years no country in the European Union has been spared the agony of having to make drastic reductions in its budget deficit. The various political solutions adopted in an attempt to bring the figures on either side of the balance sheet into line have included provisions to cut expenditure and to raise revenues — inevitably by means of heavier taxation. This applies to all countries, although emphasis on one or other of the two types of measure may have altered over time and may have varied from country to country. Taxes can only be raised to a certain level, however, before triggering economic recession. Before they have reached this limit almost all governments have been obliged to introduce policies to rationalise public spending, which have translated into a rationalisation of the organisation and budget of the whole state administrative apparatus.[1]

The free market policies which have enjoyed favour as a result of Reaganomics in the United States and Thatcherism in the United Kingdom,[2] naturally emphasise the virtues of such measures, thereby adding to the feeling that where political decisions are not successfully implemented and fail to make a significant economic and social impact, then the fault must lie with state bureaucracies that are unwilling or unable to translate them into practice. Various departments of the public administration have been marked down as places where inefficiency and waste are rife, especially in comparison with private organisations.

Seeking to allocate resources more effectively, most European governments have shown a growing interest in adopting private sector management models in the public administration. This in turn has fostered the idea that any public offices or agencies should work in such a way as to achieve their goals through decision-making and the application of organisational principles inspired primarily by an economic rationale. Finally, the management and control of public resources is conceived as an economic problem, mainly concerned with the relationship between ends and means. Administrative activity is increasingly expected to bear the stamp of "good management".

Consequently many European governments have initiated programmes to "modernise" their public administration, based on principles related to some extent to an instrumental vision of decision-making processes and organisational change. Following the logic of "efficient reformers" (Olsen, 1991), change in the public administration has been pursued as though it were the result of a deliberate decision, of a process which can be programmed and controlled (Brunsson, 1995; Czarniawska, 1989; Czarniawska & Joerges, 1995).

The widespread reliance on managerial principles and methods and the implicit acceptance of the superiority of these methods over others, means simplifying the highly complex reality that underlies public decision-making (Morgan, 1995). This

[1] Close examination shows this to be a widespread problem common to all countries, from the United States (Performance Reports of the American Government, Gore, 1994, 1995), and Osborne and Gaebler (1995)) to Australia (cf. Kouzmin & Scott, 1990) and Japan (cf. Masujima & O'uchi, 1995). See also Hood (1995) and for a recent cross analysis Olson, Guthrie and Humphrey (1998).

[2] On this last point see "Plans" of the British Treasury (HM Treasury, various years).