

Modernizing Public Administration in France and in Italy

Comments and remarks for the English edition of Pierre Winicki's *Reussir la Réforme publique*

August 31st 2007

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There are several similarities between bureaucratic cultures in Italy and France. The Italian administration borrowed to the “Napoleon” administrative model a lot. The behavior of not taking into account citizen’s needs is still deeply rooted into Italian civil servant’s mentalities, but they are not anymore in a position to express it loud. Nearly everyone admits now that such position is not sustainable.

These resistances are not only a civil servant’s problem, but it is also a politician’s one. Among politicians, the “moderns” understand that it is necessary to listen to users, and to measure client’s satisfaction in public services. Such satisfaction cannot be taken as granted. It is necessary to implement performances’ measurement tools. So there are more or less fifty percent of politicians (and civil servants) who realize that we have to change. But this is not sufficient, considering that moderns and conservative views are equally divided in the two larger political coalitions and, therefore, in every parliament majority, the conservative are always enough strong to prevent sweeping reforms . Then, to concretely implement the tools necessary to achieve citizen’s participation, and to achieve the changes necessary to meet citizen’s expectations today, we need more than fifty percent. The “old” culture still has a strong basis, sufficient to prevent modernization to start.

Law Professor Pietro Ichino, also a renowned columnist in the *Corriere della Sera*, wrote that *there are too many “lazybones” among civil servants. The first answer to the need of lowering public expenses and improving the quality of public services is to fire them. And in the Bassanini’s reform, the tools exist to evaluate performance and efficiency of structures and agents and to fire inefficient civil servants. But there are still many administrations which have not yet implemented these tools, although they were passed in the law.* Professor Ichino recommended *to establish an independent authority to review, evaluate, and measure performance and efficiency in public administration’s management, including user’s representatives, to ensure that user’s satisfaction is well taken into account.* This recommendation has not been approved yet by Parliament: There is a strong resistance among unions. The unions say: *The principle is already in the Bassanini’s reform. And we shouldn’t ostracize civil servants. The lazy ones are only a minority: We do not defend them. We admit that they should be fired. But we believe that there is no need to create a new authority. The Economic and Social Counsel should be in charge: It includes representatives from business, users, unions, experts...* The debate is complex, but at least it is open. In fact, a performance-oriented public administration was already included in the 1990’s reform: it was, moreover, one of the reform’s central pillars. But large financial self-government and accountability of each administrative unit was needed; and the Ministry of Finance powerful *Ragioneria Generale dello Stato* did everything it could to prevent from implementing it. Now we

are screening, in Italy, the French LOLF: link between programs, financial resources, evaluation of performances, customer's satisfaction.. Is it also a good idea, as France recently did, to merge together the Ministries of Public Services and Budget? I don't know, future will tell...

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Over a long period of time – the last two centuries at least – what was said about French Government was also true for Italian Government (only in the last Nineties, the Bassanini Reform placed Italy half-way between the French and the Anglo-Saxons experiences). The real question is: Who should manage strategic change (missions, organization, way of working of administration...) In Italy such as in France, ministries often do not get involved in the “machinery”. Except when the issue is to put in place one of their friends or party colleagues. In the past fifteen years, we have more clearly identified and differentiated the role of political leaders vs. senior civil servants. But asking a Minister to be involved in a change process does not mean suppressing such difference in roles. One thing is managing change on a daily basis. Another thing is planning and supervising the *strategic* change, which cannot be delegated. In the private sector, changes in missions and strategic changes must receive the approval from shareholders or stakeholders. Reversely, stakeholders should not get involved in the daily management. It is the same for public administrations. Politicians should not only determine public policies, recruit senior civil servants, but also decide on change issues and monitor implementation (in close relationship with senior civil servants).

Should Matignon only be an arbitration organ, or should it be directly involved in change management? In Italy, things started to move the day the head of government demonstrated a strong involvement in change (with the two Cabinets led by Giuliano Amato, the first of the two Cabinets led by Romano Prodi, and the two Cabinets led by Massimo D’Alema) . The head of government has to assume final responsibility. After 2001, Berlusconi, and now Prodi, have not been directly hands on and the modernization process in public administration has somewhat stopped.

The Prime Minister’s direct involvement, in fact, cannot be a full time job, it must be limited in time. In times when the international and European issues are more and more decisive also for national public policies, Prime ministers are growingly involved into Europe and international affairs. Consequently, the daily responsibility of the modernization process must be delegated to a cabinet minister, delegating him some of the premier’s powers and, above all, giving him the power to ask for the prime minister’s direct intervention in the crucial moments, when it is necessary to overcome resistances.

In Italy, I had those responsibilities for fine years. And the best moments for the reforming process were those when I received a strong support from Prime Ministers Prodi, D’Alema, and Amato. Let me illustrate this point with an example. In the spring of 1999, I projected to downsize the number of ministries from eighteen to eleven, following the engagements written in the electoral program of the government coalition. When I presented the project to the Cabinet, nearly all the ministers declared themselves against it. Prime minister D’Alema asked for a break in the meeting. He said: *The decree proposed by our colleague Bassanini is not approved. The Cabinet is called in again at 5:00 p.m. today, with the following agenda: resignation of the Cabinet. I think that this cabinet cannot survive after the recall of that important reform bill.* Such statement, obviously, re-opened the discussion and the legislative decree was finally approved and presented in front of the Parliament. Parliament asked me to re-establish only the Ministry of Agriculture, which I supposed to be merged with Industry, Craft industry, Exterior commerce, Post and telecom in a unique Production Ministry. In 2001, Berlusconi accepted this new structure with only partial and limited changes, splitting Healthcare and Social affairs, and Industry and telecom. But in 2006, Prodi came back suddenly to eighteen ministries. This was not the result of a strategic thinking, not of a study conducted by management consultants. He just needed to create new seats for members of his

crowded coalition. So, for instance, Infrastructures were split again between Equipement and Transportation, and Social Affairs were split in three ministries. .

Also in Italy, as in France, there is now a clear distinction in legal competences between Minister's office and senior civil servants. But that does not mean that the Minister should not frequently establish direct contacts with senior civil servants. We notice very different behaviors depending on Ministers' attitudes. Sometimes, they communicate very little with senior civil servants. They delegate such responsibility to their staff advisors. In other cases, it is the opposite. While I was the Minister for Public Administration, Civil Service and Regional Affairs, responsible for Public Administration Reform, my ministry was powerful but small, having only two hundred and forty agents. I used to organized one or two meetings a week with the Head of Staff, the Chief of Public Service Department, the main staff advisors and the eight Directors General, in order to evaluate the questions pending, decide which questions should be under the responsibility of staff advisors, and which of senior civil servants. It was key, though, that everyone knew what the others were doing (and what the Minister also was doing), and that everyone was in a situation to give their opinion.

Few Ministers follow the same approach. Most of them prefer to establish a link with their senior civil servants *via* their staff advisors, and entertain with their Directors general solely face-to-face relationships. However, I do not know whether, in a larger ministry, it can be recommended to adopt a shared management style, as in a smaller organization. But at least once a month, gathering key members would be better than nothing at all.

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You identified all traditional bureaucracy's arguments, also true in Italy. But today, those arguments have lost their cultural legitimacy. Nevertheless, they still remain deeply rooted into minds.

To change this, strong political convictions and authority are required. Among young senior civil servants, it is not a problem. But among political leaders, it is more complex: they share the conviction that the civil service holds missions and objectives that are very different from those of the private sector. They believe that in the public area, one should pay attention to quality, not to quantity, and most among them still believe that quality cannot be measured. But this reasoning is wrong: When Fiat was manufacturing a high number of cars, but of poor quality, they did not sell many among them! It is true, though, that the missions in the public service are different from the private sector's. But this does not mean that one cannot evaluate whether results, based on objectives, are met. It might be more complicated in the public sector, but certainly not impossible! Look at what was and is done in Canada, New Zealand, Australia, and northern Europe. That is why I suggested to begin by introducing very simple indicators. For example, for surgical interventions and clinical tests, an yearly 20% decrease on waiting lists could become an indicator to grant a bonus or an increase in hospital staff's wages. I was told: *Such method is inapplicable in many administrations, for instance Foreign affairs.* I answered: *We must start in sectors where find good indicators is simple and verifiable, and we can spend more time on those where it is more difficult, in order to find for them more sophisticated indicators, following the best international practices. What is really crucial is to begin and so to introduce in politician's, civil servant's, and citizen's minds the conviction that measuring performance in the public service is possible, and that there should be a way to measure the "return on investment" on the quality of the public sector.*

In order to do so, it is necessary to start with the *collective* performance of each administrative unit, before looking at the *individual* one. In my reform framework, the Directors general were allowed to fire the "lazybones". Following our law, the Director general has now the same power than an Executive top manager in a private company (if there is a litigation, it is the judge of the civil conciliation board who is in charge, for a civil servant as for a private employee).... But I must recognize that this still needs to be achieved in real! In the Rome City administration, for instance, with twenty six thousand employees, only seven agents were fired over the past five years! The reason is that there is not yet, in many Italian public administrations, a performance evaluation, both quantitative and qualitative, with consequences on bonuses and sanctions.

Indeed, motivation for a well done job, ethics or moral satisfaction are also remarkable factors. In the last Nineties, every year the best hundred projects for administration improvement were rewarded during the Italian Forum for Public Services: a diploma was granted by the Prime Minister... But it is not sufficient. In the framework of Bassanini reform, increases in budget and in personal wages should be given to those who demonstrate an improvement in performance. But few Italian administrations have in fact implemented this provision.

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We need to go through the entire project with agents, listen to their proposals, and their suggestions. A right balance, though, between listening and decision making is needed. It is more efficient to identify early enough the perceptions, and let them be expressed out loud.

The dialogue with agents takes time. When I took my job as a Minister, I called my predecessor, from the Ciampi cabinet, Professor Sabino Cassese, a well known public law professor. I asked him for advice. He told me: *You will find in the ministry old bureaucrats who have nothing to say. I neutralized this group, using only a staff of university professors and administrative judges.* If he did not succeed in his reforms, it is partly because he thought he would achieve them without agent's participation. You need to activate agent's participation, to split those who are expecting the change, from those who do not want it. If you do not do it, the first ones will be destroyed by the latest ones. But a culture such as Cassese's is still frequent among Italian State administration.

What you describe about French union representatives is different from what I experienced in Italy. Unions (80% of agents in the public servants' representative bodies election) very actively participated and supported my reform, including privatization of public agents' status and privatization of some public services. Not so long ago, they threatened that all Italian employees go on strike, when Berlusconi tried to return to a public agent's status, from the private one that I had successfully negotiated.

My strategy with unions was to negotiate always with the general secretaries of the unions, not only with the responsible of the public sector. If there was some freezing along the way, I threatened to meet with the general secretary, in charge of the entire union. In most instances, the meeting was not necessary... It is a question of method, which consists in activating the global responsibility of unions, in order to overcome corporative resistances. In fact, the most important unions represent not only the public sector workers but also the private sector workers, i.e. the clients of public services, highly interested in the modernization of public administration. When I introduced performance-based culture and wages, I anticipated a decline in reformist unions at the upcoming union's elections, for the benefit of extremist unions. It did not happen: Moderate unions increased their share of the vote. Clearly, the union leaders and the government succeeded in explaining to a large majority of public agents the benefit they could have in case of modernization process success.

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What you describe here reminds me of the Italian concept of “manutenzione”, which means “maintenance”, “aftersales”. No reform can be perfect, when it starts. If you expect the reform’s project to be perfect, you can wait for long... until the project is obsolete! While implementing the reform, it is possible, thanks to the negotiation process, to identify which parts of the project require corrections or changes, while remaining firm on the general line of the reform. For doing so, two things are needed: to be enough flexible (not too flexible) and to be open to negotiate. If you are too rigid, you risk to make the reform fail. It is necessary to dialogue with users, and negotiate (with those who have a constructive approach): they can give you precious suggestions for correcting and improve the reform project (for the work of “manutenzione”).

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Major reforms in the public sector are implemented over a long period of time: it is hard to believe that an entire reform of the administrative system could be implemented over the same term of office. So the reform requires a *bipartisan consensus* (that was the case, though, for LOLF in France). Thanks to such bipartisan consensus, a part of my reform survived to the majority change in 2001.

But that consensus has not been sufficient to save and implement other parts of the reform. That was a consequence of the Italian political and electoral system. During the forty years following second world war, in Italy the electoral system was solely proportional. We then had a referendum, which established a majority vote, and the political system became rather bipolar, with two big and crowded coalitions in competition. In the most experienced democracies, that bipolarity does not make impossible having a decision supported by both political side. In Italy, every new majority destroys everything the former majority established.

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In the 90's, it was easier for Italy to conduct a profound reform, since the State was totally « destroyed ». The more a State is destroyed, the more easier if for the reformers to say: *We cannot continue that way! We need a big courageous reform!* Now that globalization is a fact, modernization of public administrations is a condition for competitiveness. We succeeded in convincing union representatives that we would be unable to maintain agent's salaries, and invest resources on public administrations, as long as we could not demonstrate to citizens that public services were undergoing a drastic modernization process. This was also necessary to regain a social recognition vis-à-vis civil servants themselves (in the 19th century, senior civil servants were benefiting from a much greater social recognition than today).

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It is not always easy to identify the counterparts likely to actively support the reform, and accept the challenge of changing. In the early phases, there is often a 50/50 ratio between supporters and opponents. Not only is it necessary to increase the percentage of supporters, but also one must give the supporters the legitimate role of “actors of change”.

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I used this Metaplan method in the past. I believe it is useful, but not in every circumstance. I would not see myself using it with union leaders or key entrepreneurs. It is simpler to use it with counterparts who do not hold senior positions. Metaplan, in my opinion, could also become a most useful tool to efficiently manage preparation meetings prior to an electronic consultation of citizens - "e-participation" - (for more details, see page)

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I do not entirely agree. Sometimes, it is necessary to announce a major reform to a large public to make things move, obtain a large consensus and bring under the light resistances. But the message should not be negative vis-à-vis public agents. It must be positive: *I know that public agents will be key actors of change. I know that the majority among them support it. We need their cooperation.*

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In many cases, parliament members can be mobilized as long as citizens are as well. There is a direct relationship between the energy a Minister invests on the dialogue with parliament members, and his plan of action towards citizens. If the citizens support the reform, the MPs also will probably give their support. In the 90's, I started the modernization process allowing in most cases self-certification on honor, and introducing a lot of debureaucratization's provisions, because these were the easiest ways to create a positive opinion towards the reform, and to demonstrate that Italian public administration was able to change and to change for the best. For example, parents had, so far, until February or March to present application to their children's school for the next year. In order to do so, they had to present, every year, their children's birth certificate, even though they had already shown it the first year. A child, once he is born... he is born! He cannot be born a second time! I established that birth certificates could be replaced by self-certifications. Starting with such simplification has been a "small trick" from me.

In these years, positive opinions about Italian public services have improved a lot. The percentage of citizens rating it 6/10 or more, climbed from 34% to 55% between 1996 and 1998. Then, even though the reform was only started, such encouraging results were decisive in order to obtain the support of parliament members, including those from the minority side.

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We carry very few satisfaction studies in Italy... And when we do carry some, they are rarely reliable! It is essential to guarantee the reliability of evaluations and studies, building efficient independent Authorities, because citizen's confidence in the political authority does not exist anymore.

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The leadership of a reform cannot be an individual act. You have to establish a “cascade process”, which involves a co-operative effort.

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In Italy, education and training were so far essentially focused on legal issues, and to a certain extend on economics as well. It is now moving towards management, but it is difficult to find individuals able to teach in those areas.

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In Italy, recruitment was mostly organized ministry by ministry, structure by structure. Competitive examinations were often accessible only to public service agents working in the same administration. After the 1998 reform, almost all public agents became part of a unique corps (with the exception of ambassadors, prefects and the Army) and one yearly open competition was provided for recruiting new top public managers. Berlusconi, since then, split corpses again and re-established separate recruitments: so the unique corps survived four years only. Following the provisions of the Finance Act for 2007, recruitment should be newly unified, trying to evaluate, in assessment centers, not only academic knowledge, but also human skills and vocation. This would be a novelty in the Italian public administration. But it is more complicated to establish this in the public sector than in the private sector, for which it is possible to ask a head hunter to seek for the adequate manager. In the public sector, one still has to formalize such evaluation, in order to avoid favoritism.

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One of the key factors for successful implementation of a reform depends on the level of commitment from the Prime Minister, who then needs to delegate many powers towards his Minister specially appointed for the administrative reform. The Minister must have, in turn, the power to “activate” his Prime Minister’s direct intervention if necessary. I was lucky enough to have a strong and longtime relationship established with the three Prime Ministers I served: Prodi (a university friend), D’Alema (I was a member of Left Democratic Party Executive Board led by him), and Amato (another university colleague and friend). On the contrary, during the French Ministry of Finance’s ill-fated reform, former Minister of Economy Christian Sautter, facing strong resistances of the public agents’ unions, never had the necessary support from his Prime Minister, Lionel Jospin. He told me that Lionel Jospin said to him: *My dear Christian, this is your business. I don’t want to take part of it!*

As regards the ministries’ organization, I think that it is better to give to each ministry the power to choose their model i.e. the more fit for its mission and tasks. Relying heavily on the Secretary General’s model could lead to a form of “bicephalism” between the Minister and his/her Secretary General. I believe it is often more efficient to preserve a direct relationship between the Minister and his Directors general. Mr. Francis Mer, the former French Minister of Economy, supporter of the General Secretary’s model, told me, concluding a debate with me in Strasbourg: *I admit that the Secretary General is not always necessary at the highest level of the hierarchy. But he needs to be there when a strategic change is needed and he needs to have full power to implement change that has been decided. He must be the change pilot.* To me, one must previously decide whether the leadership of change should be placed on the political side, or on the civil service one. I believe that the fundamental decision and the general project of change is a strategic and a political issue. For doing so, it is necessary that the political authority has, in its team, some experts in change management. And those are very different from the ones necessary to project and achieve public policies (with legal, economic, technical, scientific competences and skills). That does not imply that the Secretary General should not *also* have in his staff experts in operational implementation of change, of which he has the responsibility.

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This discussion is of key importance. That reminds me of the issue of the electronic participation (« e-participation ») in regional legislative decision process in Italy, Germany and Spain, and in local authorities deliberation process in other countries.

I do not believe that internet-based citizen's consultations could take the place of other, more classical modes of consultation. And it should be preceded by usual information and participation tools. In fact, the Metaplan method, described in the previous chapters, could be instrumental to prepare the material and the questionnaire given out during an internet-based consultation carried out at a larger scale, city-wide for example. It is critical to identify on what topic citizens should be consulted, and which questions to ask. During such preparation meeting, half of the people present could be chosen by the majority, half by the opposition. Questions asked could be: *In your opinion, the documents you received, are they sufficient? Are they well done? Do you have questions to which you do not have an answer yet?* Under this condition, electronic participation would make a lot of sense. In the UK, 3,500 assisted internet access points had been already opened, in 2004, for electronic consultations.. My suggestion for Italy has been to transform the 14.000 post-offices in internet assisted access points for public administrations, obviously assuring also the post services..

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In the early 90's, there was a total confusion between the respective roles of politicians and senior civil servants. Since then, we have clearly identified which responsibilities belonged to the political level and which ones to the senior civil service. I still have not well understood whether such distinction was made in France.

I agree on the issue of confidence, but I will stress two points:

- Confidence in civil service is based on efficiency, and on the evaluation of the quality of services, satisfaction, and acknowledgement of neutrality.
- Confidence in politics and politicians is also based on the respect of neutrality towards civil service; on not using public administration for sectarian or personal objectives; on the ability to implement policies promised in the electoral program. In summary: Vision, transparency, ability to achieve results.