

# A Model of Public Management Reform

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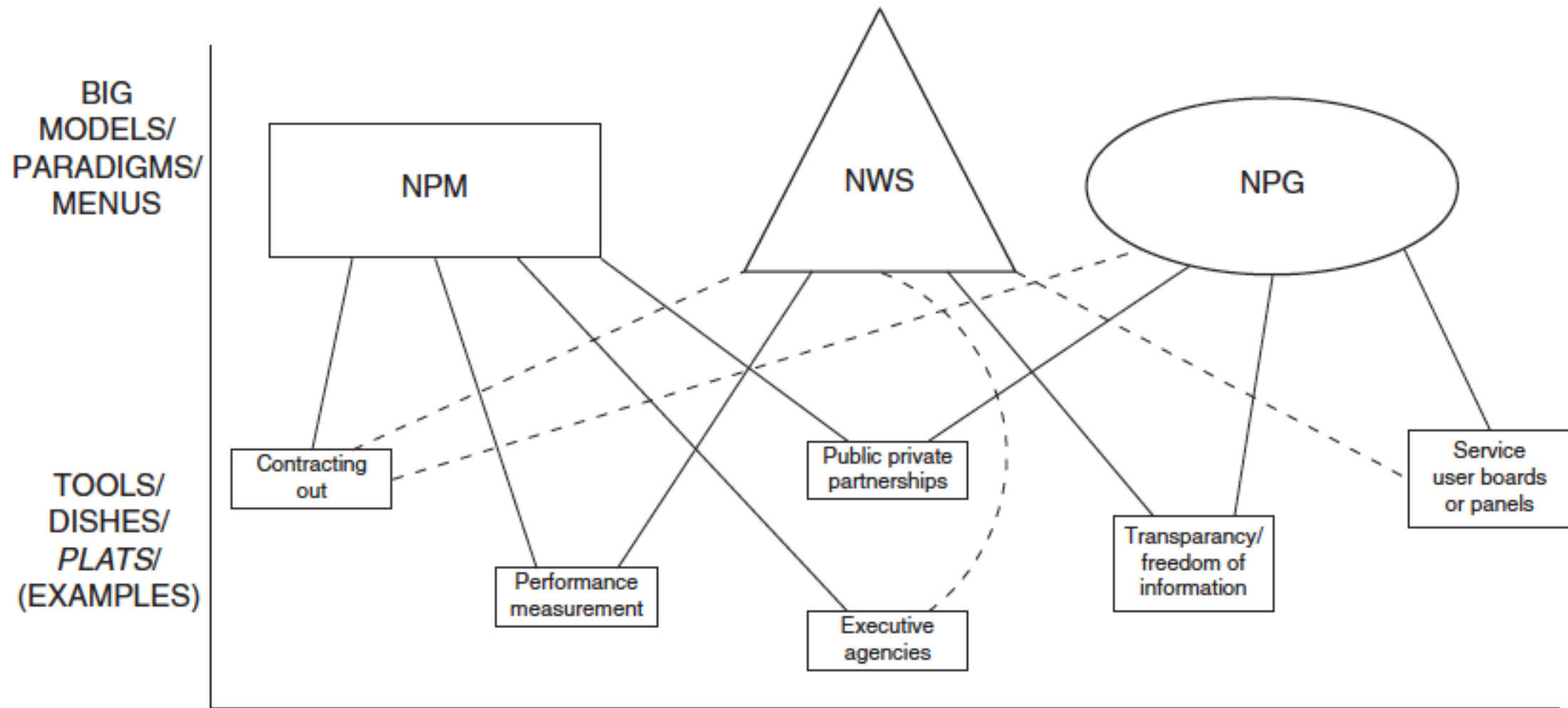
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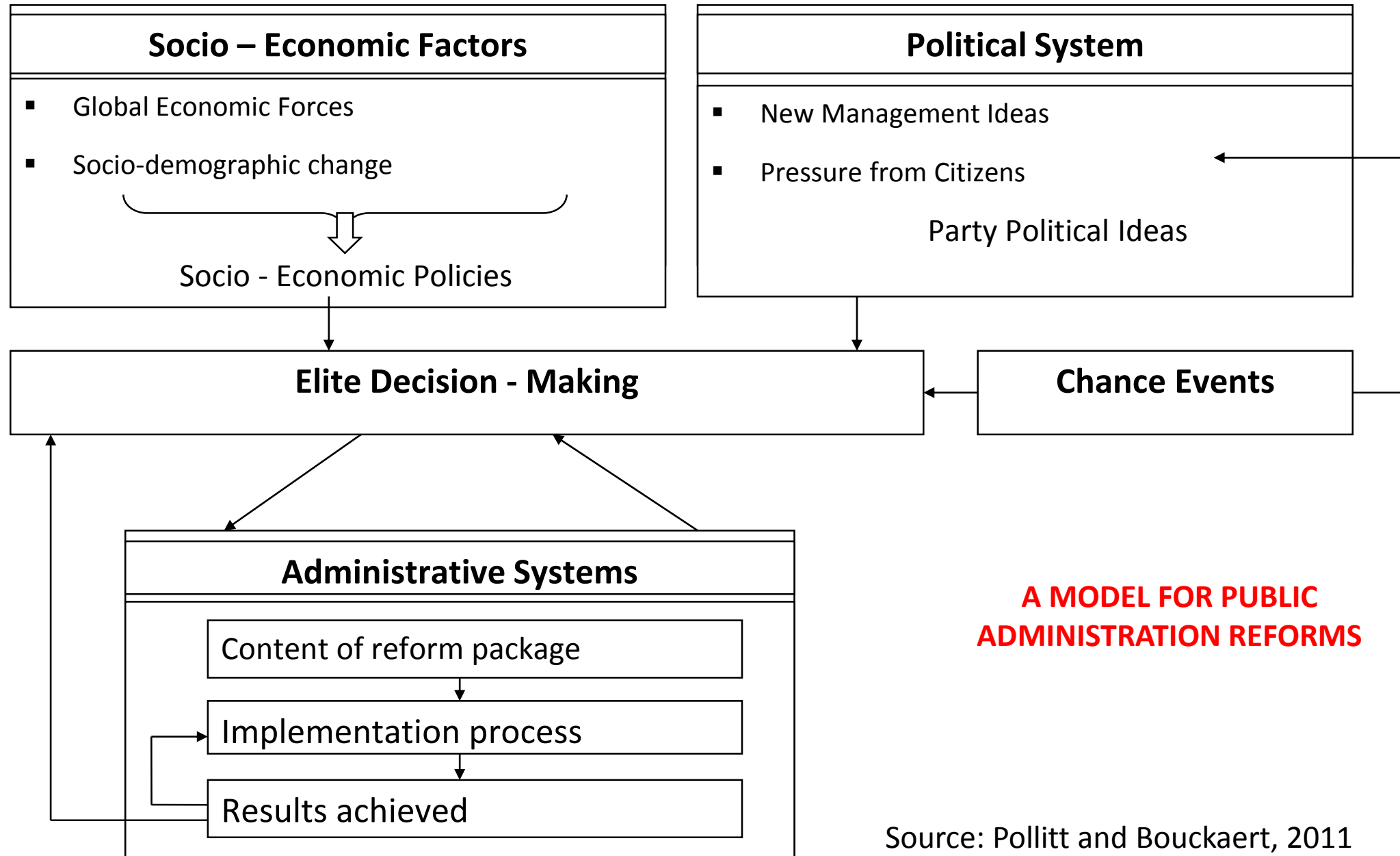
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# Answer the following questions:

- Why do governments implement reforms?
- What are the forces driving the reformers?
- Why some countries implement drastic remodeling of their public sector, while other countries have been much more cautious?
- How can we explain both the similarities and the differences between what has happened in a country compared to another?

# Public Management Models and their Relations





Source: Pollitt and Bouckaert, 2011

# Public Management Model



# SOCIO-ECONOMIC FACTORS (1)

Short-term economic cycles of upturn and downturn. All the elements included in this group can be divided in:

## ❑ Global economic forces

- Globalization of capital markets
- Growth of multinational corporations and international trade
- Competition (TAX Competition)
- Technological standardization

## ❑ Socio-demographic change (1<sup>st</sup> social security, 2<sup>nd</sup> health insurance)

- Increased life-expectancy
- Changes in the pattern of family life
- Rise of unemployment

## ❑ Socio-Economic policies, examples:

- Increasing the minimum age for entitlement of pension
- Maastricht convergence criteria (Supranational power)

# SOCIO-ECONOMIC FACTORS (2)

- EXAMPLE: population change

Change in % 2012 - 2014		
Municipality	0-15 years old	Over 65 years old
Milan	- 18%	+6%
Genoa	+2,8%	+3%
Turin	+4,7%	+3,9%
Padua	+3%	+3,5%
Bologna	+5%	+2.5%
Rome	+9.8%	+8,3%
Lignano Sabbia D'Oro	+3,5%	+7%
Livigno	+3%	+10,2%
Cortina d'Ampezzo	+1,3%	+4,7%

In the 1990s, HCR consumed by over 75 was 6-10 times higher than a middle age person (in UK and USA).

# POLITICAL FACTORS

- General structural features of the system.
- Consensual political system and coalition of governments

☐ **New Management Ideas** (Management by Objectives; Total Quality Management; outsourcing etc).

☐ **Pressure from Citizens**

☐ **Party political ideas**

- acquire ideas about how to govern including issues on structure, style and process (create ministry, more power to LG, gender mainstreaming, or any other topic)

# CHANCE EVENTS

## ❑ **SCANDALS:** mainly related to corruption

- Gerd-Liv Valla was the leader of Confederation of Trade Unions. She was accused for harassment and having an authoritarian leading style by a former deputy. After that, she resigned from her duty
- One of the former Italian prime-ministers was accused for under-age prostitution
- In Northern Ireland was set up a green energy scheme. The responsible failed to introduce cost controls that led to £480m bill to the budget..etc

## ❑ **DISASTERS:** (natural or man-made disasters).

- Hurricane Maria in Puerto Rico and part of USA;
- The Brazilian government approved to open up 860,000 acres of protected Amazon rainforest to logging mining and farming (27% of the national forest)
- Earthquakes in Italy, Mexico

## ❑ **UNPREDICTABILITY:**

- 2007-2008 financial crisis
- Unpredictability of disasters

# ADMINISTRATIVE SYSTEM

- **Structural reforms**
- **Personnel regulations** (civil service law, behavioural and ethical manuals)
- **Administrative systems**
  - Examples: in UK people drive on the right!
  - Sweden and Finland are more decentralized compared to France, UK or Italy

**A more dynamic aspect of the administrative system is represented by:**

- ☐ **CONTENT OF REFORM PACKAGE** (desirable and feasible contents)
- ☐ **IMPLEMENTATION PROCESS** (unexpected events, contradict or detract other reforms).  
Implementation, control etc).
- ☐ **RESULTS ACHIEVED** (might or might not resemble to the original objectives)

External environment factors	Changes in external environment factors	Their impact in public administration
Demographic change	Aging population	Increase of public expenditures for pensions, health care system and welfare
	Retirement of public servants	During crisis the vacant places from retirement will not be replaced, even though it would be easier to attract new employees with lower cost and new skills
Climate change	Global warming	Higher public spending for:
	Floods	Emergency services
	Droughts	Health services
	Storms	Need for horizontal integration among different agencies & nations
	Other natural disasters come from climate change	Information, education and Training programmes about climate change
Economic trajectories	Global crisis:	Revival of direct state
	▪ Banking crisis	Implement market features, as the need for cost savings increase
	▪ Economic crisis	
	▪ Fiscal crisis	The requirements to do more with less
	▪ Euro-zone crisis	Horizontal joined-up strategies may arise
Technological developments	E-government	Horizontal joined-up strategies may arise
		Increase of IT investments, is expected to increase the administrative productivity
		Improvement and elaboration of large scale computing
		Digital Era Governance may substitute NPM
Public trust in government	Public participation and engagement	Public trust has a direct impact of transaction costs
	Social capital & inter-relationships	Impacts on co - production
Changes in the nature of political environment	Increased electoral volatility & declining party loyalty; Increase of party competition by new entrant parties; Increased role of media and their quick aggressive reports; Personalization of politics; Introduction of welfare state programs impacts less popularity than before	Increase of pressure and precarity on minister's life; Increase the number and importance of political advisors and media experts; Increased role of civil service in policy agenda and policy advice; Hiring from the private sector becomes more common

## **Case Study:**

Using the General Model of Public Administration Reform, we will analyse the Structural Reform of the current Italian Government.

# Takehome for 4 October 2018

Select a country and analyse the impact of the:

- Socio-economic factors
- Political factors
- Chance events

On the public administration reforms by analysing:

- the content of reform,
- the implementation process, and
- the results achieved.