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Implementing Local Partnerships: Public Incentives and Invisible Barriers

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Organisers:



Track 15: Public organizations challenges: back to the theory ?

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and Invisible Barriers**

This article aims to shed light on the evaluation of public policies designed to incentivize partnering between municipalities. The increasing use of interorganisational arrangements to implement public programs poses yet another challenge for public managers and academics: that of developing an evaluation method for these initiatives. The variety of intermunicipal arrangements implemented in Lombardy analyzed and reported in this article highlights the influence of policy incentives on the capacity to create and maintain collaborative efforts in the context of local development. Our qualitative study extends the evaluation research on implementation but reaches mixed conclusions on what makes associative forms effective.

Key words: Local government, incentive policies, implementation, whole networks, complexity, intermunicipal cooperation, partnerships

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Abstract

This article aims to shed light on the evaluation of public policies designed to incentivize partnering between municipalities. The increasing use of interorganisational arrangements to implement public programs poses yet another challenge for public managers and academics: that of developing an evaluation method for these initiatives. The variety of intermunicipal arrangements implemented in Lombardy analysed and reported in this article highlights the influence of policy incentives on the capacity to create and maintain collaborative efforts in the context of local development. Our qualitative study extends the evaluation research on implementation but reaches mixed conclusions on what makes associative forms effective.

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1. Introduction

The past 20 years have marked progressive advances in the development of innovative methods to deliver public services and to satisfy public functions and needs, especially at the local level. While the results of this new phase of the change process, embarked on by Italy's public administration in the early 1990s, have yet to come to light generally, we can identify some common traits. First, the emphasis on the local dimension emerges clearly. We are dealing with policies in which the local area is not only the place where the programs are

implemented, but also the main reference point for the design and implementation of new policies. The launch of the Local Intervention Plans in 1997 and the District Plans in 2000 are an example of this. Second, the policymaking process encompasses diverse institutional levels – from the European Union and the Member States to the regions and the individual municipalities. Third, the decision-making process involves a multitude of subjects, also private, embedded within networks of interconnected relationships. ‘Network’ is one of the terms used most to define these conglomerates of connections (other very common labels include: joined-up government, intermunicipal or interorganisational arrangements, service delivery partnerships, shared provision, inter-local agreements).

Several years after the first organic attempts at reform and despite an awareness of the results achieved, above all, at the local administration level, the common perception of the functioning of the public sector does not appear improved, in fact, it is still seen as a largely inefficient structure, perpetually over-stretched when it comes to meeting the needs of the collective (Martin, 2002; Morciano, 2008). On the other hand, the few success stories reported do not help to significantly raise the quality of a system that – in Italy – comprises almost 10,000 independent agencies – among which 223 central and 130 regional and provincial administrations, 8,101 municipalities, and 358 mountain communities – and that finds it hard to operate as an integrated or “network-like” system.

This paper is interested in understanding whether the publicly funded initiatives launched by Italy’s regional administrations to incentivize the development of local communities and to encourage the implementation of shared solutions to complex problems (Mandell and Steelman, 2003) have helped to solve questions previously reserved for government intervention. These issues are viewed from a perspective that we believe has generally been under-researched and seldom studied empirically (Horelli, 2009; Hudson, 2004) compared with the dyadic relationships dealt with by the mainstream. Specifically, the analysis focuses

on the network rather than the organisational level of interorganisational arrangements, what many academics (e.g. Borgatti and Foster, 2003; Provan, Fish, and Sydow, 2007; Rodriguez, Langley, Denis, and Béland, 2007) call focusing on the “whole network”. Another reason for our study is the acknowledgement that evaluating partnerships is complicated (Pope and Lewis, 2008) but necessary because networks are crucial institutional settings for the implementation of public programs (O'Toole, 1993; O'Toole, 1997a). Only by examining the whole network can we understand how collective outcomes might be generated (Provan et al., 2007). This point has special relevance for policy planners and those whose perspective goes beyond the performance of individual organisations. For instance, an analysis of whole networks can facilitate our understanding of how collaborative arrangements can improve the provision of a particular service and how publicly funded health and human services can be delivered more effectively to local communities (May and Winter, 2007).

Two key assumptions underpin collaborative arrangements and, thus, the policies that seek to persuade the local councils to favor and adopt these organisational forms. The first assumption is that they enhance the overall effectiveness of the service provided as the combined result of higher efficiency (thanks to a more rational use of resources), the fostering of innovation, and increasing flexibility. The second is that, on balance, collaboration leads to better service outcomes (May and Winter, 2007) because it facilitates access to rich, localized information and expertise (Huang and Provan, 2007; Hudson, 2004; O'Toole, 1997b; Provan and Milward, 2001).

At present, the studies that have sought to empirically analyze the role of collaborative arrangements (Babiak, 2009; Fedele and Moini, 2006; Hudson, 2004) in implementing national or regional policies reveal a very mixed bag of situations and outcomes. Since many network linkages are voluntary and self-regulating, they may lack stability (Huang and Provan, 2007). Further, the projects implemented by the administrations are not always

coherent with the criteria that inspire the incentive policies. In our opinion, all these factors bolster the hypothesis that the gap between the regulatory principles and effective implementation is mainly due to an inability to concretize the change within and among the participating organisations.

This exploratory paper presents the core evaluation concepts of regional policies that aim at promote local development and an empirical case to enable us to discuss the implications of the intermunicipal programs implemented in Lombardy. In summary, our research questions are:

1. *Has the promotion of intermunicipal arrangements increased collaboration among the public administrations?*
2. *Is it possible to perform an evaluation of the incentive policies outside the policymaking arena, i.e. an evaluation not influenced by vested party interests?*

The following analysis mainly harnesses the contribution of organisational studies and policy studies. We believe that analyzing the organisational underpinnings of program implementation means focusing our interest on both the content of the intended programs and *how* to establish and maintain a viable organisation to implement the program elements (Scheirer, 1996) italics in the original text). In addition, alliances among communities require new types of interactions, purposes, operations, and agreements – all increasing the complexity of organisational purpose (Cigler, 1999). Policy studies are an indispensable reference point to understand the logic underlying the processes that translate the decision of the policymakers into a final result, i.e. outputs, outcomes and impacts (Regonini, 2001). Implementation demands the efforts of the whole of the public administrations, from the top down to the street-level bureaucrats. In that sense, it represents the ‘moment of truth’ (Majone and Wildavsky, 1984).

In the following section, we briefly describe Stoker's IRF (Implementation Regime Framework) model (Stoker, 1989), an approach designed to holistically analyze the interorganisational (multi-agency) implementation of public policies. After which we will describe the case of the intermunicipal partnerships developed in Lombardy on the back of the incentive policies launched by the regional administration. We will then comment on the case and close with some reflections on the implications inherent the use of the IRF in the implementation evaluation activity.

2. Analyzing Implementation

The problem of converting policy intention into action consists of two components: getting those who are to carry out the mandate to execute in accord with its dictates, and assuring that the effects of these actions on the ultimate target are the ones desired, defined as what happens between the establishment of a governmental intention and the consequent impact (O'Toole, 1983). While the success of a policy depends on the accomplishment of both those components, this paper focuses solely on the former, or what is generally defined as implementation.

Many scholars have addressed this theme over the years, adopting diversified theoretical perspectives and approaches. In this section, more than an exhaustive review of the relevant literature – even though, for clarity of presentation, the following sections will refer to the basic traits of the two most-diffused interpretive keys offered by policy studies, i.e. Policy Evaluation and Policy Inquiry – we intend to shed light on the usefulness of a theoretical approach that can help us to enhance our understanding of interorganisational implementation. Therefore, we will refer to the main contents of the theory called the Implementation Regime Framework (IRF) proposed by Stoker in 1989 (Stoker, 1989), which, unexplainably in our opinion, contemporary studies seem to have overlooked.

2.1 Policy Evaluation vs. Policy Inquiry

Policy evaluation is an obligatory point of reference in responding to any questions that might arise during the formulation of a public policy, the drafting of new plans, and to test the efficacy and efficiency of implemented and future projects. The key judgment criteria is that of the achievement of the objectives of the interventions and the degree of congruency between the performance obtained and the preset goals.

Studies inspired by Policy evaluation say that the purpose of implementation is to generate the policy outputs desired by policy formulators with efficiency and fidelity (Stoker, 1989). On the intergovernmental level, implementation is problematic because opportunities for distortion of federal policy formulators' intention are created. Deviation from the policy formulators' vision is dysfunctional behaviour that must be prevented (through suitable plans), minimized and surpassed by special fixers. Two alternative strategies can be applied by each implementation actor, depending on their preferences: (1) cooperate with the proposal that has been passed down from the preceding implementation participant, or (2) veto the initiative. The decision in either direction (i.e. cooperation or defection) depends on the extent to which the implementation participants are in conflict with the aims of the policy in question.

The main benefit of Policy Evaluation is the clarity of its assumptions. Further, Policy Evaluation makes its own distinction between policy design and policy implementation, setting out a clear boundary between the two phases.

The most orthodox version of Policy Evaluation is the target for a branch of studies and proposals (called Policy Inquiry) that advance strong doubts about both the underlying assumptions and the concrete practicality. For example, Policy Evaluation is criticized for urging that the implementation process be planned or its claim that policy formulation is when the seeds of social conflict are sown.

The studies inspired by Policy Inquiry consider implementation as a bargaining game in which well-positioned interests compete for control of the program. Policy outputs are created by the interaction of implementation participants and are beyond the control of any single participant.

To evaluate implementation according to the Policy Inquiry approach, we need to first describe the strategic context created by the policy initiatives. Unfortunately, according to the critics, this model lacks clear standards to judge implementation performance.

2.2 Implementation Regime Framework

The interpretive model known as the Implementation Regime Framework, IRF (Stoker, 1989), suggests a conceptual alternative to the implementation problem versus the competing approaches proposed by the main branches of study just mentioned. This theoretical proposal places the emphasis on the relationship between implementation and the context within which the implementation occurs. The notion of regime refers to institutions that embody principles, norms, rules and decision-making procedures around which actors' expectations converge" (*ibidem*: 37). At the organisational level, a regime is 'a system of rules, norms, and procedures that governs the participants to some collective decision' (*ibidem*: 30).

In the context of multi-level governance, an implementation regime can promote cooperation by providing a setting in which relationships are more predictable (Cline, 2000). The IRF conceives implementation as a task which creates a context that will induce the participants to cooperate in the presence of conflict of interest. Thus to determine the success of the implementation process, one must examine the strategic and institutional context that make up a particular regime (*ibidem*: 556).

The IRF recognizes the importance of the heuristic contribution offered by policy studies, but attributes a predominant weighting to the problem of the *governance* of the implementation. In particular, the IRF agrees with the top-down approaches of placing the emphasis on the

cooperation and defection strategies, but differs from these in at least two aspects: first, it seeks to understand the ways in which cooperation and accommodation can be achieved in a mixed motive context (Stoker, 1989): Why are some mixed motive conflicts resolved through cooperation while others end in stagnation? How can implementers create a context in which constructive patterns of cooperation are likely to emerge (ibidem: 38). The second distinctive aspect, compared with the top-down approaches, is that the IRF considers the implementation as a *process* that develops over time and which influences the overall order of the decisional processes set up by various implementation participants. IRF recognizes that implementation is most difficult in the initial period as the likelihood of defection and stagnation from mutual defection is greatest (ibidem: 39), but this tendency is self-correcting over time: as the implementation regime more fully develops, cooperation and mutual adaptation become more likely. Consequently, a realistic assessment of the potential for public initiatives requires a longer view with a keen eye for the possibility of reform.

3. Research methodology

Three main reasons prompted us to choose the Lombardy Region case: *i*) this region (along with Piedmont and Veneto) has the highest level of micro-municipalities and institutionally fragmented local agencies. In fact, the small municipalities (with less than 3,000 residents) make up more than half the Lombard municipalities; *ii*) the whole networks implemented in Lombardy are cases familiar to both authors. In particular, one of the authors participated in a work group set up by the Lombard Regional Council to report on the status of the associative forms between the local agencies. The work group produced a survey, published in July 2009 (IReR, 2009), highly original also for the national context (since no picture of the extent of the local partnerships present in Italy existed at the time of writing), that snapshots the functions carried out by the 1,460 municipalities of Lombardy, either autonomously or in

association with other agencies; and *iii*) the fact that the experiences analyzed are still ongoing and, therefore, enable the carrying out of an *in itinere* (i.e. continuous) assessment, that is, an evidence-based evaluation that seeks to account for what happens as the implementation of the policy unfolds. According to Lippi (2007), this type of evaluation offers the most interesting results in terms of “cognitive whole” (ibidem: 121). In other words, when public actors appointed to the role of *agenda setter*, *decision-maker* and *implementer* belong to three different institutional levels (like in the case of the incentive policies promoted by the regional administrations), we are looking at a situation of maximum cognitive deficit in which none of these actors have any facts on what the others are doing. The *in itinere* evaluation is a way of placing the policymakers in a position to strategically read the reality, taking into account not only the policy outcomes, but also the processes that have generated these.

We used a qualitative research design (Lee, 1999) to enable us to describe, interpret and explain a situation about which we are not fully knowledgeable as well as identify new managerial actions (ibidem: 38).

The main source of information for this study was the data harvested for the IReR 2009 survey. Data collection took place from December 2008 to March 2009. Semi-structured interviews, averaging about 2.5 hours each, with experts (i.e. 17 Lombard public administrators who had participated in experiences of associated management) enabled us to corroborate the main findings. Our study methodology included triangulating the data through interviews and documentation (e.g. minutes, reports, and other written materials). A recent study (Babiak, 2009) dedicated to the evaluation of multiple cross-sector relationships prompted us to use both deductive and inductive reasoning in analyzing these data. In terms of the level of the analysis, we adopted an interorganisational perspective (Mercurio and Testa, 2000). Therefore, this paper considers whole networks throughout.

4. Empirical evidence

4.1 Collaboration between municipal administrations in Lombardy

The associative forms between municipal administrations are based on collaborative processes aimed at producing public value through the joint provision of administrative products, deeds, and services. The collaborative level of an associative form is defined by the extent to which the resources and the responsibilities taken on jointly to offer administrative products, deeds, and services are shared. Associative forms can take different legal personalities.

Firstly, the collaboration may concern the whole product development cycle - from the strategic definition of the objectives to the allocation of the resources and the regulation of the activities and relations with both the users - and the provision of local community services with joint responsibility. We define this type of collaborative form as the *associated management of service*. It can be launched voluntarily, when the local administrations autonomously decide to manage the services in an associated way, or cogently, when a normative obligation exists for the associated management.

Secondly, the collaboration can be oriented exclusively to the strategic definition of the objectives, the allocation and distribution of the resources among the subjects involved, and the regulation of the activities and relations with the users of the services. In this case, the collaboration excludes the provision of services in which the administrative products are owned jointly. The Lombard experience of the Social Area Plans was developed with a strong emphasis on planning the integration of the services network and the concerted use of the resources assigned by the state and regional administrations to a plurality of municipalities called on to jointly decide on their use. This collaborative form is called *associated regulation and strategic orientation*.

Therefore, two types of activity qualify the collaborative processes between the municipal administrations, each of which can ensure their appropriate functioning by choosing one of the different legal forms that regulate the opportunities and risks. In that sense, a legal form may or may not be appropriate for hosting a certain type of activity and may even, in a different way, embrace both.

4.2 Regional measures for developing associative forms

Lombardy has a high number of demographically small municipalities (71.2% have less than 5000 residents, corresponding to 10.5% of the resident population). The past ten years have seen the Lombard Regional Administration take several steps to develop associated managements, believing administrative fragmentation a source of criticality that makes it difficult to both define effective orientation strategies and implement responses capable of meeting the growing needs of citizens.

The measures to directly incentivize associative forms are implemented when a governing agency, in our case the regional council, takes on a commitment with the recipient administrations so that these adopt specific behaviours: voluntary, in relation to the implementation of the associated management of services; or discretionary, in the case of associated regulation and strategic orientation. Up to now the commitments undertaken by the Lombard regional administration have concretized in the transfer of financial resources, without considering any other forms of commitment, such as the implementation of the services needed to manage the local change and the possible increase of the local administrations' decisional autonomy, enabling these to make decisions otherwise of regional competence.

The incentive actions taken to date have aimed to develop the associated management of services activity according to the multiservice and the sectorial method. The former (multiservices) are intended to support the setting up of associative forms aimed at integrating

local policies in more areas of intervention in a stable way and with the desire to progressively expand the quantity of functions and services managed in associative form. The incentive sets out, firstly, to motivate the local actors by helping to reduce the costs of change both in the transition phases from an independent to an associated (startup) management system and in the development of the management changes needed to maintain and grow an associated management of services activity. Secondly, the incentive aims to reduce the costs incurred in managing the change by providing the funds to enable the provision of a broader range of services or the extension of the user base of existing services.

The incentive actions related to *sectorial* policies support associative forms as an institutional and organisational tool to ensure the pursuing of the quantitative and qualitative growth targets of specific local community services. In the case of sectorial policy incentives, therefore, the public resources transferred are generally integrated with others aimed not at the implementation of an associative form but the growth of the local community service offering.

4.3 Status of the partnerships

Interviews with some of the Lombard public administrators involved in the associated management initiatives enabled us to gather a widespread consensus on the opportunity to collaborate with other local agencies in areas of common interest. The two reasons most frequently given for inducing the municipalities to join up are, above all, the desire to provide coordinated and coherent responses to the needs expressed by specific communities, with a strength not otherwise possible in a highly fragmented local scenario, and the chance to improve and innovate the service offering in line with the criteria of economic savings and quality.

At first glance, we could say that the incentivizing actions helped to change the cognitive sphere of the subjects involved (Cersosimo and Wolleb, 2001): the respondents have grasped

the basic philosophy of the regulations and agree with their purposes. The inter-municipal aggregations are perceived as a new intermediate agency with the power to overcome the chronic difficulties suffered by, above all, the small municipalities.

The analysis conducted in the field of whole networks implemented in Lombardy suggests an inconsistency between what agency respondents considered to be important for the purposes of an efficacious delivery of the public services and the concrete behaviours.

The overall density of services provided in associative form is 16% of those provided directly by the municipalities (IReR, 2009), which means that the municipal partnerships in Lombardy are in the minority compared with the direct (“in-house”) management method. The Lombard scenario is patchy also when it comes to the size of the partnerships, the meaningfulness of the activities, and the quality of the projects implemented, a clear sign of the highly diverse capacities of the local administrations to respond to the urgings of the regulations analyzed in this paper.

The IReR survey revealed that on average the Lombard municipal administrations tend to:

- create small aggregation hubs in terms of the number and size of the participants;
- avoid institutional relations (such as the *Unioni di comuni* or “Inter-authority Partnering Units”) that are more complex than the simple agreement for the management of specific activities or functions. We point out that about 60% of the total associative activities appoints one of the municipalities involved as the lead manager of the aggregation, taking into account the Strategic Board as an integral part of the municipal administrations;
- change their partners in line with the theme/service involved, thus multiplying the overall number of associative forms (about 500) in the area.

Thus, Lombardy presents a highly variegated scenario of legal forms, services delivered, rules of functioning, and levels of integration between the participants and the governance mechanisms adopted for the various associative forms.

The willingness to aggregate on an intermunicipal basis is expressed in ways and degrees that range – according to a continuum – from poorly structured associated management solutions governed and managed through agreements to highly structured solutions such as the inter-authority partnering units. Table 1, below, shows the type and frequency of the lead agencies, that is, the agencies that lead a supralocal association (please refer to (IReR, 2007, 2009) for a detailed description of the features of the Lombard aggregation hubs).

Table 1. Lombard Municipalities. Services provided in associative form: type of lead agency (IReR, 2009)

Types of Aggregation Leaders	%
Municipality	52.97
Consortium	11.53
Joint-stock Company	9.91
Strategic Board (<i>Ufficio di piano</i>)	7.75
Inter-authority Partnering Unit	6.13
Limited Company	3.78
Mountain Communities	3.42
Other	2.52
Province	1.08
Foundation	0.90
Total	100.00

Among the top five categories of services for which the associative management form rises to higher than 20%, a good four areas of intervention stand out in which the regional policies are oriented to promote supralocal models (see Table 2 below). These areas of intervention are: social services, libraries, one-stop business desks, local police. On the heels of that lead group come the activities related to the management of information and telecommunications systems at 13%. Also in this case, we are looking at an area earmarked for regional and national incentive plans.

Waste management operations and the integrated water and gas cycle rank second place in the sphere of functions provided and managed in associative form but are not the beneficiaries of

incentive actions. However, these services are key to the norms that push towards the creation of optimal management environments aimed at producing efficiency savings. Only in rare cases do the associative forms implemented by the Lombard municipalities concern “internal” functions, such as financial, organisational, administrative and personnel management. One interesting exception is the information and telecommunication systems management function, which in terms of associative management frequency ranks immediately after the lead group indicated in Table 2 below.

We advance two explanations for that. The first is that the information and telecommunication systems function has been the object of many national and regional incentive programs that have indubitably influenced the development of intermunicipal collaboration projects; the second, which complements the first, refers to the nature of the activities in question. Given the highly complex terrain and the high costs involved, the Lombard municipalities have seen the associative management form as a way to overcome the lack of resources and required professional skills.

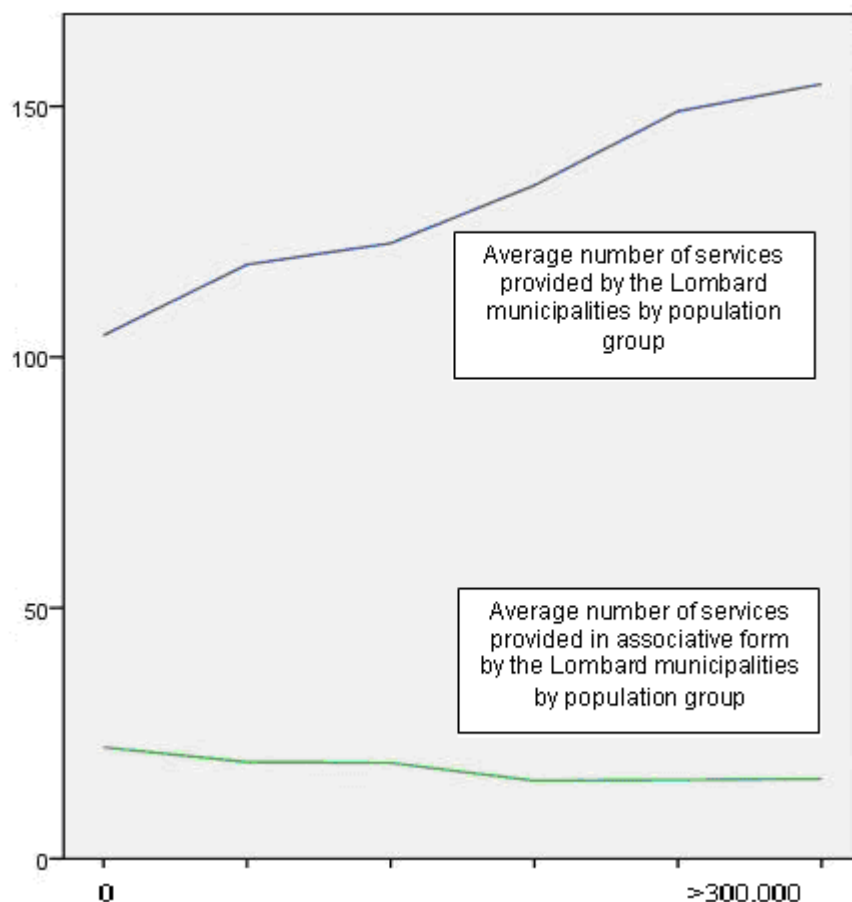
Table 2. Lombard Municipalities. Key functions provided in associative form (IReR, 2009)

Functions	% services provided in associative form
Social services	39.20%
Waste, water and gas management	36.00%
Culture, libraries	30.10%
Production businesses	25.10%
Local police, Civil defense	24.40%
Information and communication systems	12.80%
Education, Right to study	12.10%
Youth, sports, leisure policies	11.10%
Environment	9.80%
Private construction	8.00%
Urban planning	7.30%
Public works and management of State-owned assets	4.60%
Human resources and organisation	4.10%
Economic-financial management, taxation and asset management	3.80%
General affairs, protocol, archive	2.60%
Demographic and statistical services	1.30%

In terms of the relationship between the associated management tendency and the size of the

municipality, Fig. 1 below shows the ratio of the services provided by the Lombard municipalities (vertical axis) and the resident population in those municipalities (horizontal axis). The top curve describes a directly proportional ratio between the number of inhabitants and the average quantity of services provided. On the other hand, the bottom curve shows the ratio between the services provided in associative form and the populations of the Lombard municipalities. In this case, the trend is inverted: when the population density of the municipalities is lower, the quantity of services provided in associative form grows slightly. That means the smaller municipalities have a (relatively) higher tendency to aggregate to offer joint services or functions to their citizens.

Figure 1. Lombard Municipalities: services provided by population group, in total and in associative form.
 Source: Regione Lombardia, data as at June 30, 2008



The inter-authority partnering units (“IAPU”) are worthy of separate mention. These multiservice associative forms see the municipalities involved “join up” to create more robust and stable aggregation hubs than simple agreements. The Regione Lombardia has earmarked the IAPU as priority legal forms for the associated management of services. Nevertheless, despite the brisk growth enjoyed by the IAPU in 2000-2005 (thanks to the hefty financial incentives guaranteed by the State and the regional administration), the presence of these “second-level” units has not been enough to stem the tide of looser associative forms (e.g., agreements). Indeed, the IAPU are currently in the minority versus other forms of associated management. The services and functions mostly transferred to these units are the local police, protocol and general secretariat, network maintenance, administrative compliance with the economic treatment of personnel and taxation, school assistance, waste collection and disposal. Up to now, there are no cases in which the partnering municipalities have transferred 100% of their services to the IAPU.

The 60 IAPU in Lombardy (2009 data) are mainly composed of municipalities with a population of less than 2000 inhabitants (76%); 71% of these have no more than three participants, which leads us to conclude that the small municipalities tend to favor relations with “other subjects of similar size” (IReR, 2007). An earlier research (ibidem: 139) has underscored how the administrators of the smaller municipalities prefer to aggregate with their like because they fear that joining up with IAPU containing larger municipalities will translate into a loss of decisional autonomy and identity. We also point out that the Lombard IAPU have shown a low level (about +6%) of development capacity in terms of broadening the functions carried out after these were set up. Only a few IAPU have expanded the range of services and functions offered, while an even smaller number of cases, to date, have transferred to the IAPU (almost) the whole of the functions previously carried out by the municipalities.

5. Evaluating multi-agency implementation

The field analysis conducted reveals a highly mixed scenario in terms of both the size of the aggregations and the types of projects implemented on the back of the regional programs. While Lombardy is not short of meaningful experiences and success stories, the fact remains that this region provides only 16% of services in associative form. Lombardy also has a higher number of IAPU than the national average, but the extreme heterogeneity of these subjects, in terms of both participants and the functions performed, throws up a barrier that prevents us from considering the IAPU as stable provincial and regional actors. As a consequence, the role usually assumed by these units is rarely related to local area planning and promotion. More often, the design capacity of the IAPU is limited to the search for common solutions to the simple management of basic services.

We have also noted a significant gap between the declarations of unconditional support for collaboration and the effective behaviour of the majority of Lombardy's local administrations. That gap reflects the diverse leanings and capacities of the policy implementers and public managers to launch and manage plans to strategically upgrade the local offering.

If the evaluation were limited to these considerations, we would be facing a common sense judgment (termed by Lippi, 2007 as the *level-zero evaluation*), unproductive because it serves neither to understand the reasons for the results achieved nor to assess the merit of the regulations in question. We recall that the goal of the evaluation is to give a scientifically founded opinion based on the dynamics related to the decision and the implementation of a public program. That opinion is outside the political-administrative process and is not bound to any of the interested parties. It is, first and foremost, a *knowledge producing method* (ibidem: 23). That knowledge must be useful and constructive for both the policymakers and the public managers.

At which point, it might be useful to reinterpret the Lombardy case based on the conceptual frameworks proposed in Section 2.

5.1 A top-down view

The interpretation offered by the Policy Evaluation framework looks to the plurality of the actors involved. Because it is difficult to reach consensus between an excessive number of parties with vested interests and that not all the local actors were willing to invest their energy in this direction, the greater majority of the Lombard municipalities chose not to enter associative forms. That defection is a choice that shelters them from the inevitable information and transaction costs.

The policy in question is based on broad yet abstract objectives, making it difficult to evaluate for those who must take a position, i.e. cooperate or defect, and to act accordingly. Further, the incentive systems are highly skewed on the inputs (especially in terms of the formal requisites that each partner must have), but less ambitious on the outputs, i.e. no particularly high standards need to be met from the organisational or design quality viewpoint to benefit from the contributions. The norms essentially valorise the services integration process, while only modestly rewarding the consolidation of the organisational structures (e.g., the setting up of “single offices”).

Such a poorly selective policy will hardly attract those municipalities more open to innovation. These subjects are not urged to pursue new avenues or excellence, proof of which is the fact that most of the partnerships launched in Lombardy are so small in size they have been unable to achieve significant quality increases or management cost savings (IReR, 2007). Sometimes, the Lombard municipalities have merely stipulated agreements or conventions (which keep the functions under the control of each local agency) for less critical areas (e.g., public lighting, right to study, libraries), participating simultaneously in more aggregations characterized by different proprietary structures and composed of different

partners. The hoped-for development of inter-institutional relations in other areas of intervention has not taken root in most cases.

5.2 A bottom-up view

Policy Inquiry suggests that the coalitions that support the distribution policies, i.e. those that provide benefits to certain social groups or local environments, are not founded on common interests, but on the summation of requests and on reciprocal non-interference (Regonini, 2001). In these situations the conflict is almost completely absent (which should favor the adoption of collaborative behaviours), but at the same time demands an extraordinary effort and much coordination by the groups of actors, institutional or other, who recognize themselves in the goals of such policies.

In Lombardy, it has been easy to exploit the room for manoeuvre by either remaining passive or, in the case of some quarrelsome recipients, raising active opposition. We cannot rule out that some local administrators have attempted to launch negotiating tables only to then realize that the cost of the associative forms of the sectorial or multiservice type would outweigh the expected benefits. Faced with that scenario, many municipalities have opted out.

Then there are those municipalities whose opposition stems from “preconceived ideas” and who have not even evaluated the implications of the collaborative initiatives. The incentives and subsidies envisioned by the regulations have failed to deliver a decisive result in orienting the recipients’ behaviour in the direction desired by the regional policy formulators. Finally, we cannot exclude cases in which the setting up of associative forms is the result of collusive behaviours, in other words, conduct in which the collaboration is enacted solely to intercept public resources, paying scant attention to the effective development of the cooperation and its effects (Cersosimo and Wolleb, 2001).

5.3 An IRF-based view

An interpretive key based on the Implementation Regime Framework (IRF) shifts the focus to the implementation context. In Lombardy, many local agencies coexist, each with its own specificities in terms of institutional architecture, socio-economic composition, geographic location, political leadership, and public policy experiences.

Each implementation regime helps to shape the relations and models of interaction between the diverse local actors, but at the same time is influenced by the policy initiatives (Stoker, 1989). To what extent have the Lombard incentive policies captured the importance of the local implementation regimes? The regulations have set standard conditions for determining, for instance, the eligibility of the projects and calculating the subsidy amounts, as if the local administrations were part of a sole integrated system, while it is well known that the capacity of the individual administrations to launch and manage processes of change is anything but uniform and, further, is full of both qualitative and quantitative asymmetries. Some scholars have defined this typically Italian situation as a *bureaucratic divide* (Morciano, 2008). It is a gap that segments the country and makes the implementation of public sector reform uncertain. Such disparities, in the last analysis, tangibly influence the quality and range of services enjoyed by the residents in the different locations (ibidem: 15).

Evaluating the adequacy of the incentive policies in the local areas is not just a matter of merely observing the ex-post performance of the associative forms; it is crucial to compare the results observed with the effective possibility of the citizens and businesses to use the social assets and services. The way the Lombard municipalities see it – especially those located in physically peripheral areas – the context of application designed by the incentive policies must have appeared too far from the “different speed” context with which the agencies relate daily. Probably, most of these have not seen themselves as a potential recipient

of the standard intervention packages and have preferred to “sit on the fence”, at least for the first round.

At the conceptual level, the IRF’s approach to the study of implementation distinguishes between the structural environment and the action environment, which mutually influence each other. That dual representation perceives the implementation scenario as a whole of properties and characteristics that dynamically order (and constrain) the practices of the administrations and which are influenced by these latter (the practices, *editor’s note*). The incentivizing norms provide a hypothetical development process to “regulate” subjects who want to explore the scope for launching collaborative forms. That regulatory level interacts with another, largely implicit regulatory level dictated by the contextual factors that distinguish the individual local organisations. The interaction between the two levels forms the reference area in which the individual administration places its own behaviors. The effective action (e.g., the choice of whether to adhere or not to an associative form; or the decision of which types of services to transfer to shared management) is produced through interaction with at least another regulatory source: the rules that immediately structure the decisions, the objectives, and the behaviours of the single subject in a determined context. Clearly, this third regulatory level can only be autonomous, that is, produced by the agent subject during the unfolding of the action. The concept of regulation enables us to explain the defection also by the very small municipalities, those that precisely due to the chronic deficiencies in terms of technological, professional, and financial resources would be the natural recipients of the incentive policies.

The empirical investigation has enabled us to see how the inter-municipal processes in Lombardy unfold in a differentiated way. There are cases in which the associative choice happens in a previously defined local area and cases in which the local area is established by

the member municipalities themselves. There are also cases in which the recipients consider the incentive policy an important opportunity and, vice versa, in which the reactions of the administrations were neutral or negative. Therefore, it is the context that “makes the difference”.

The IRF enables us to show how the variability of the behaviours and the persistence shown by the contexts, but also the possibilities of change can coexist and interconnect without clashing. The interpretive key that enables the coherent lining up of these diverse analytical levels is entrusted to the concept of regulation. Specifically, distinguishing between the different regulatory levels helps us to understand why it is fairly impossible that implementation of the same incentive norms can “impose” standard practices also in similar contexts. In short, it is always possible for the implementers, who retain their own sphere of autonomy, to re-contextualize.

6. Implications for implementation

Importantly, the IRF theory outlined in this article offers the policy designers and public managers several ideas to improve implementation. First, the IRF sees existing contexts as resources that can be mobilised to develop a qualified service offering also in disadvantaged areas. In the presence of strong local disparities and, above all, where previous collaborative experiences are lacking, working on joint projects is arduous because of the prevalence of reciprocal suspicions and vetoes among the actors: ‘mutual defection leads to policy stagnation’ (Stoker, 1989: 43). However, the marginality and the fragility of the local areas are not ineluctable. A way to overcome the disparities is to reinforce social cohesion through the involvement – starting with the policy design – of other local area players (e.g. companies, private and voluntary associations). The IRF suggests starting with the specific needs of the local contexts as a base for the use of the public resources, allocating these to support solely

projects that are truly new and high-profile. In terms of the already established associative forms, on the other hand, it is necessary to promote those initiatives that plan to launch important collaborations with other local area actors. In parallel, opportunistic behaviour needs to be curbed by strengthening the regulatory penalty mechanisms.

Second, while the development of partnerships requires support (Asthana et al., 2002), financial incentives alone cannot be considered the main and decisive factor in changing the condition and/or the behaviour of the recipients of a public policy in the desired direction. The emphasis on the context suggests that continuative and qualified support actions aimed at the local areas are necessary in order not to leave the local administrators alone to tackle the challenges of change. A recent study (IReR, 2007) underscores how the setting up of the IAPU is an arena of “institutional experimentation” (ibidem: 169) that not all local administrators seem able to face. The joint provision of services implies the enactment of new work distribution processes, new routines, and an effort to restructure duties, tasks, and functions, as well as operational and management responsibilities. It imposes integration strategies of the organisational and structural type and the sharing of technical, professional and economic resources. The public contributions (financial or in the form of consulting services) envisioned by the incentive systems can ease the economic issue, above all, in the *startup* phase of the associative structures, but certainly do not resolve the problem of the insufficient capacity to *govern* the associated management processes.

Therefore, the implementation of partnerships must be transformed into a process of collective learning, in which the region acts as an ‘animateur’ (Diez, 2002). Incentives and “animation” must mutually strengthen each other with the objective of progressively developing the local administrations’ ability to collaborate at all levels. Indeed, the IRF suggests that while defection is most attractive in the initial stages of the implementation

process, conversely, the likelihood of cooperation and mutual adaptation tends to grow over time (Stoker, 1989).

In brief, the IRF indicates two ways to make the policies in question more efficacious and incisive, i.e. i) higher contextualization and selectivity of the projects to fund; and ii) structured and continuing support by the Regione to “accompany” the setting up and consolidation of the associative forms. Interestingly, this dual action of reconfiguring the incentive logics and mechanisms could translate into the strengthening of a dimension in which the Regione Lombardia has shown little interest up to now: the evaluation of the projects it has itself funded.

In their seminal study, Pressman and Wildawsky (1984: xv) said that implementation and evaluation are complementary: ‘implementation and evaluation are the opposite sides of the same coin, implementation providing the experience that evaluation interrogates and evaluation providing the intelligence to make sense of what is happening’. The only form of evaluation carried out to date by the Regione Lombardia has been limited to the control of the accounting reports and the correctness of the administrative procedures followed by the subsidy recipients. The regional regulations do not encourage the stringent monitoring of the outcomes and the impacts of the programs, making it tough to track and evaluate the projects funded.

In light of what we have said earlier on the uncertainty and ambiguity of implementation processes, it would be simplistic to say that more incisive norms can reduce the irrepressible criticality of such processes. But it is not unrealistic to assume that the appreciation of the policy results becomes more practicable when the norms are not limited to stating the value principles, but rather set the goals as a range of indicators to be observed. That would make it easier to distinguish between the projects or the aggregations that respond solely to the formal requisites and the collaborative initiatives that offer concrete responses in terms of substance.

More generally, having a dedicated information base on which to ground decisions could accrete the policy planners' capacity for analysis, in view, for example, of the re-proposal or the modification of the public programs.

7. Conclusions

This article claims the usefulness of adopting an implementation analysis approach that draws on Organisation Theory and which also is highly interesting from the heuristic perspective. The general picture produced by the local agency partnerships in Lombardy enables us to highlight contextual aspects that can hinder or facilitate the successful implementation of incentive policies. At this stage in the research, we can therefore advance only a preliminary response to our research questions.

1) Has the promotion of intermunicipal arrangements increased collaboration among public administrations?

The empirical evidence indicates it has increased collaborative efforts in terms of some outcomes, e.g., the number of associated management experiences launched in the past few years, the quantity of services transferred by the municipalities. Nevertheless, the evolution of these forms is obviously still too slow. The empirical data show that councils in Lombardy still favour 'self-sufficiency rather than joint working in terms of their form of organisation' (Tomkinson, 2007). The average size of the aggregations make it hard to improve their performance in terms of economies of scale. In addition, the municipal authorities are reluctant to form associations to jointly manage the more "internal" functions (e.g., related to local area management or financial management). The decision not to adhere can be interpreted as the local administrations' attempt to save spheres of activity in which room for autonomy prevails from new forms of external regulation.

2) *Is it possible to perform a network evaluation outside the policymaking arena, i.e. an evaluation not influenced by vested party interests?*

Our research, even though exploratory, suggests that a level-two evaluation is impractical at present, above all, because we are unable to verify the impacts on the ultimate targets. Earlier research and data collected for the IReR 2009 study are not sufficient to conduct an evaluation from a perspective that is – we reiterate – outside the policymaking arena on whether something has changed between the initial problem-situation (e.g., highly fragmented administration, inadequacy of the responses to public needs, local area asymmetries) and the end result, nor if this change is attributable to the policy analyzed or other causes. We note that the absence of an information system dedicated to associated management forms makes it impractical for the policy planner – in our case, the Regione Lombardia – to systematically monitor the effects of the financed programs. The unevenness of the associated management forms in the region's diverse areas enables us to capture the weighting of the contextual factors only in an *abstract* and summary way, but not to investigate *why* the gap has emerged. To track the impacts generated by the incentive policies on the citizens and businesses of the diverse areas requires structured databases along with information that can give a picture of the multidimensional phenomenon, such as the bureaucratic divide. On which topic, to the authors' knowledge, no consolidated literature exists.

The IRF seems to offer an adequate interpretive key to respond to the underlying need of the evaluation – in turn, meant as a process of action – which is: to interpret and explain the real situation and – in tandem – intervene in that same environment to orient the process towards more satisfying results.

In the field of public policies, the possibility that the intentions of the legislator remain on paper is anything but improbable. We have noted that the highly heterogeneous areas with broad economic and social gaps combined with the regulatory limits of the incentive systems can favour collusive and opportunistic behaviour. Therefore, future incentive programs that fail to define explicit strategies of accompaniment and animation, aimed at preventing the factors that feed the bureaucratic divide, are bound inevitably to flounder or, in the best-case scenario, lead to an inorganic and differentiated implementation, resulting in the waste of funds and further emphasizing the highly fragmented administrative and institutional landscape. The IRF invites us to consider the actors' exercising of discretion as something ineluctable, something that not even the most stringent regulations can eliminate.

Several aspects of this research need further investigation and study. First, we need to dig deeper into the individual experiences; only a longitudinal analysis of each network can help us to understand what in a program makes it function (or not) for some contexts and not for others. Second, we need to monitor the overall temporal sustainability of the associative management forms. The developments of the intermunicipal agreements must be tracked over a longer period of time before it can be safely concluded that a major transition to the network form is occurring rather than tactical compliance with a new set of central initiatives (Ferlie and Pettigrew, 1996). Finally, it would be interesting to compare the Lombard experience with those of other Italian regions.

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