THE DIGITAL GOVERNMENT IMPERATIVE: A CONTEXT-AWARE PERSPECTIVE

Dr. Walter Castelnovo (corresponding author)
Department of Theoretical and Applied Sciences
University of Insubria
Via Oriani, 6
22100 Como (Italy)
Tel. +39 (0)31 2386375
fax. +39 (0)31 2386309
e-mail: walter.castelnovo@uninsubria.it

Prof. Maddalena Sorrentino
Department of Economics, Management and Quantitative Methods and ICONA Research Center
University of Milano
Via Conservatorio 7
20122 Milano (Italy)
Tel. +39 (0)2 50321148
Fax +39 (0)2 50321505
e-mail: maddalena.sorrentino@unimi.it
THE DIGITAL GOVERNMENT IMPERATIVE: A CONTEXT-AWARE PERSPECTIVE

Abstract

The paper applies a ‘context-aware’ research approach to explore Italy’s digital government trajectory, using the ICT-enabled program that introduced the One-Stop Business Shop to exemplify its analytical potential. The interpretive lens captures the political, institutional and external forces at play to illustrate how the outcomes of public-sector reforms are shaped not by legislative strong-arming and ubiquitous technological enablement but by the environmental dynamics. To demonstrate the central role of contextual factors in achieving the desired change, the study conducts a qualitative exploratory analysis that opens doors left mostly closed by the deterministic view of the mainstream literature on digital reform.

Keywords: Administrative reform, one-stop government, simplification, e-Government, context-aware approach, configurational lens, ICT

1. Introduction

The many central and local government reforms introduced in the past 20 years aim to deliver efficient public services and relaunch the national economies in a world that continues to raise the competitiveness stakes (Michalopoulos 2003). Both the EU and the OECD prioritize simplified regulation and better pre-conditions to promote entrepreneurship and growth in a time of financial austerity and, although the advanced countries have imposed different measures to reform the public administration (PA) and improve administrative capacity since the mid-1990s, each has the same goal-setting agenda (OECD 1995, 25):

- More results-oriented;
- More value for money;
- Devolution of authority and more flexibility;
- Stronger accountability and control;
- Focus on client and service;
- Strengthened capacity for developing strategy and policy;
- Introduction of competition.

That goal-setting agenda sums up the key tenets of the New Public Management (NPM) wave that dominated public management practices for more than 20 years and that shined the light on Information and Communication Technology (ICT) as a major agent of organizational change (Bellamy and Taylor, 1998; Fountain, 2002). This stance pushed the governments to use ICT as a fundamental lever to modernize and improve citizen services (Foley and Alfonso, 2009) and achieve the desired outcomes (see the so-called ICT reform hypothesis discussed by Kraemer and King, 2008). The major role of the internet and web-based technologies/applications is embodied by the provision of one-stop public services, a concept that comprises the one-stop shops in which the same co-located staff deliver multiple administrative services, the one-stop
windows that integrate exclusively the customer interface, and web-integrated services where customer
transparency and cross-services integration is primarily electronic (Barbosa, Pozzebon and Diniz, 2013;
Dunleavy etal, 2006, p. 484).

This study takes an analytical approach that shifts the central focus from the features of the IT artifacts and
solutions chosen by the one-stop shops to the policies that implicitly support e-government. Surprisingly
underdeveloped by the research, the lens adopted reconstructs the implementation dynamics of the Italian One-
Stop Business Shop, herein referred to also by its Italian title, the ‘SUAP’ (‘Sportelli Unici per le Attività
Produttive’), to help us better understand the logics and the role played by ICT in the course and outcome of a
reform program.

The SUAP law enacted by the Italian government in 1998 compelled each local council to set up a new and
distinct organizational unit to centralize the processes for opening, changing and closing a business activity.
In general terms, the reform aimed to drive technological improvement in both the PA and the business spheres
but, more specifically, the Italian policymakers saw it as a major enabler of administrative simplification and
better access to business services that harnessed digital technology to standardize and streamline the
bureaucratic procedures. However, the SUAP ran into so many implementation difficulties it failed to deliver
the expected benefits and the Napoleonic administrative tradition by which Italy is ruled (Peters, 2008) forced
the legislator to make repeated adjustments to the laws that codify and trigger the SUAP reform. This legalistic
approach stalled and deviated the program’s trajectory not only due to the confusion and uncertainty it sowed,
especially among the councils that were handed the hot potato of coordinating the relevant procedures across
independent organizations, but also because of opposing premises that threw in ‘everything and the opposite
of everything’, from NPM vs. joined-up government to front-office vs. back-office to disintermediation vs. re-
intermediation.

The qualitative paper acknowledges the unpredictability of ‘policy transformation’ – intended as the
original design of a policy translated into IT artifact, work processes and stakeholder roles (Goldkuhl, in press,
pp. 3-4 original emphasis) – and that it is less easy to control from a high altitude: ‘sometimes successful (well
implemented policies) and sometimes unsuccessful (no implementation of policy elements and/or
inappropriate side-effects occurring)’ (ibidem). Moreover, ‘there are negotiations of policy and other
institutional aspects between different stakeholders that moderate original policy intentions’ (ibidem).

The broader perspective adopted here combines the policy content, the implementation process and the
backdrop against which the reform unfolds in a context-aware (configurational) methodological approach with
a lens wide enough to capture the relevant ‘structural-instrumental, cultural and environmental’ aspects
(Christensen et al., 2007; Bezes et al., 2013). This theoretical path allows us to both describe how the SUAP
program evolved on the ground and understand the logics that shaped its outcomes.

The analysis suggests that hard-to-govern multiple factors, above all, the context in which implementation
occurs, determine the success or failure of a multi-organizational program, and that the implementer
organizations face three particularly crucial issues: i) the design of the coordination arrangements; ii) the
distribution of the competences and responsibilities across multiple actors; and iii) the capacity of each council
to adopt appropriate change management strategies to translate the ICT resources into capabilities (Rose and
Grant, 2010).

Research considers one-stop shop provision the essential hub and spokes of any digital government system
(Wimmer, 2002; Glassey, 2004; Bannister, 2005; Gouscos et al., 2007; Verdegem and Hauttekeete, 2008;
Hogrebe, Kruse and Nättgens, 2008; Howard, 2014). The present study is timely and worthwhile on three
counts: i) to make sense of the inherent difficulties of public programs by investigating the environment in
which certain implementation decisions work and others don’t; ii) to reconstruct the SUAP case as an example
of a major e-government initiative implemented in the past 20 years (OECD, 2012) when Italy was in full
NPM flow, clarifying how a ‘softer’ version of its principles took hold late in the day not only in Italy, but also
in other countries of the Napoleonic administrative tradition; and iii) to conduct a post-implementation
assessment of the SUAP, which, to the best of our knowledge, has not yet been done, even though it was first written into law 18 years ago and last revised six years ago.

The contribution of the exploratory study is threefold. First, it evidences the effective capacity of digital government to achieve the expected benefits. Second, it extends prior research on e-government implementation, identifying the paradox of the secondary role played by ICT. Third, the configurational analysis sharpens our focus on the impacts of reforms on the administrative machinery.

The paper proceeds as follows. Section 2 reviews the relevant literature and describes the theoretical frame here applied to the SUAP program. Section 3 outlines the research approach and questions that guide the paper. Section 4 illustrates the program’s evolution, using the organizational lens to analyze the dynamics between specialization and coordination. Section 5 discusses how the SUAP’s trajectory has been shaped by country-specific contextual forces. The final section presents the authors’ conclusions, the study’s implications, and the potential payoffs for the research and practice of public administration reforms.

2. Theoretical frame and related works

Kraemer and King (2008, p. 5) offer four guiding principles to support the digital (or electronic) government (or e-Government) ‘reform hypothesis’:

- the potential of ICT to reform the PAs and their relations with the satellite environments;
- the potential of ICT as a powerful reform tool that can catalyze change in organizational structures;
- the benefits of the proper use of ICT for the entire collective: administrators, staff, citizens, and public administration;
- the under-realized potential benefits from ICT caused by a lack of managerial understanding of what the technology can do and an unwillingness of managers to pursue the potential of the technology when they do understand.

The wide discussion and criticism of these ideas has made the reform hypothesis described by Kraemer and King the more or less explicit subject of most e-Government literature since the late 1990s (Kraemer and King, 2008; Coursey and Norris, 2008; Lips and Schuppan 2009; Bannister and Connolly, 2011; Norris and Reddick, 2013; Gil-Garcia, Vivanco and Luna-Reyes 2014). However, while a vast store of up-to-date evidence supports the potential of digital public services, Gil-Garcia, Vivanco and Luna-Reyes (2014) argue that the mainstream debate tends to underestimate the interactive ability of ICT to transform public services and the organizational and institutional factors that influence their selection, design, implementation and specific use. Further, Baptista (2005, p. 167) observes that e-Government is rarely taken for what it is, which is ‘both a sub-set and a driver of government and public sector reform’. The predominant use of the technocentric dimension to investigate e-Government as a self-standing (or ‘ghettoized’ [Pollitt, 2012, p. ix]) field of study ignores the fact that e-Government raises or amplifies a number of political issues in a wide number of areas (Baptista 2005, p. 170). This misrepresentation of technology prevents a realistic assessment of the contextual forces that significantly influence the reform outcomes.

Hence e-Government ‘is not a model in itself’ (Pollitt and Bouckaert 2011, p. 7) and many versions are observable in the empirical reality:

an e-Government that reinforces traditional bureaucratic hierarchies, an e-Government that facilitates the NPM, an e-Government that is designed to promote networking and wider concepts of governance. A great deal depends on the particular context in which a given e-technology is introduced, with what purposes, and so on (emphasis added).
The literature draws deeply on political science and public management to argue that ICT does not so much transform government as amplify existing or emerging political trends (Ostling 2010; Pollitt 2013), which, in turn, are influenced by country-specific contexts. Interestingly, the e-Government research is beginning to adopt this view, recognizing the need to conceptually surpass the deterministic view of digital government in order to grasp its broader meaning.

The social sciences consider context a crucial key to unlock explanations and provide recommendations. For example, Pollitt (2013, p. xviii) defines context as ‘a missing link’, i.e. ‘something that enables us to understand the different evolutions of public policy and management in different habitats.’ He also notes that context enables us to clarify ‘how particular species of reform are related to one another, and why the evolutionary tree branches at certain points’ (ibidem).

Christensen and Lægreid (2013, p. 140) say that context is multiform and plays an active part in the processes of change in the public sector. In fact, context is ‘a complex mixture of environmental pressure, historical institutional context and polity features’ (p. 136) that shapes reforms and their effects. Therefore, Christensen and Lægreid (2007, 2013) suggest a context-aware approach to the analysis and interpretation of the ‘course and outcome’ of public decision making, i.e., an approach that uses a structural-instrumental, cultural and environmental lens to capture concrete aspects of reality. The scholars argue specifically that the reforms can be perceived from a structural-instrumental standpoint as conscious organizational design or reengineering, given that the decision makers use the organizational structure and resources as instruments to achieve objectives. The emphasis on values and models borrowed from private firms and the critical roles of political leaders in organizational choices are the ‘guiding lights’ of the structural-instrumental perspective. The assumption is simple and linear: reformers change structures and the rest will follow (Pina e Cunha and Tsoukas 2015, p. 227).

The cultural perspective shows how reforms and change in public organizations trigger an institutionalization process that gradually introduces the ‘core informal norms and values’. The fact that different countries and government institutions have different historical-cultural backgrounds means that their reforms follow a ‘path-dependent’ course that gives each national reform a distinct complexion. Moreover, public reforms must be put to the test of ‘cultural compatibility’ (Christensen et al. 2007, p. 132): ‘initiatives that are incompatible with established norms and values in organizations will be rejected, while parts that are compatible will be implemented; controversial parts will be adapted so as to be made acceptable.’ Hence, a reform is more likely to be successful when its underlying values are better aligned with the values embedded in the existing administrative system.

A further aspect is that public organizations are said to dwell in a dual environment: the technical part, mainly focused on efficiency, production and exchange; and the institutional part, which deals more with matters such as the appropriate organizational structure, internal culture, and recruitment policy. The institutional environment is a breeding ground for the reform myths that spread to other public organizations, shape their isomorphic features (Christensen et al., 2007) and increase their legitimacy (ibidem, p. 132).

A recent comparative study of ten years of administrative redesign in France and in Norway saw Bezes et al. (2013) use the three co-existing contexts identified by Christensen and Lægreid to gain insights into the complexity of delivering meaningful public reforms. The study is based on a configurational analytical approach that combines internal pressures, political factors, and domestic historical–institutional legacies. Meyer, Tsui, and Hinings (1993, p. 1175) broadly define a configuration as ‘any multidimensional constellation of conceptually distinct characteristics that commonly occur together’. The main argument of the Bezes et al essay is that such an approach is necessary to understand and explain the change patterns, and to highlight the specific combinations of driving forces that conditioned the two nations’ policymakers and public managers. Using concepts from organizational studies, Bezes et al have developed a convincing approach to diachronically describe and compare the implementation of public reforms in highly diverse contexts.
Summing up, the above studies inform that the idea of a multi-layered dynamic context is central to a range of theories that can strengthen our understanding of the determinants of organizational change. In fact, the studies that treat digital government as merely a technical matter, focusing on a single organization, do not capture the role of ICT ‘in context’ that is essential to gaining realistic insights. The literature review performed by the authors in September 2015 produced no e-Government studies that apply the context-aware approach exemplified by Bezes and colleagues, leading the authors of the present work to test the effective heuristic capacity of this conceptualization.

3. Research approach and key questions

To better achieve the research purposes, the authors use an inductive method to define and connote the object of study but do not test predefined hypotheses. In other words, using the SUAP program as an example of a major e-Government intervention, the analysis seeks to identify the contextual factors that shaped its evolution from 1998 to 2015 but does not develop a general model of how ICT-enabled reform programs ‘work’ on the ground. Basically, the research approach adopted can be considered as an exploratory, instrumental and embedded qualitative study (Yin, 2003).

Here, to borrow the words of Goldkul (2016 p. 3), the interest is in whether and how the SUAP policies became institutionalized and thus carried by routinized activities, by public administrators’ roles and knowledge and by IT artefacts. The benefits of an historical-institutionalist view (Christensen and Lægreid 2007; Peters, 2008) is that it informs how existing institutions influence the perception of problems and limit the alternatives within the reorganization-making process, as well as how the choices are structured at the local level.

The Italian government’s SUAP program made the approximately 8,000 (8,101 in 1998; 7,999 in 2016) local councils the mainstays and primary implementers of its Digital Agenda, a huge task given the significant differences in both their size and organizational capacities. Such a heterogeneous landscape therefore leads the present study to adopt a methodology that identifies specialization and coordination as the two key concepts of organization theory capable of providing a ‘common grammar’ (Bezes et al. 2013, p. 149) to describe and interpret the implementation and local variation of the one-stop business shop reform path.

Italy is a good fit for a context-aware analysis. In the words of Bezes et al. (2013, p. 152), we are looking at an articulated situation in which multiple combinations of factors and explanatory logics ‘work together and influence one another with a configurative perspective’. Applied to the meso-level, the analytical configurational approach treats organizations as clusters of interconnected structures and practices rather than as modular or loosely coupled entities whose components can be understood in isolation (Fiss, 2007).

The study combines secondary data sources that range from earlier research to official government and non-governmental documents issued in the 1998-2015 review period and the personal knowledge bases of the two authors. The information was grouped and assessed thematically to gain a systemic view of the involvement and competences of the relevant actors and the hurdles erected by the institutional environment.

The qualitative exploration is guided by two key questions:

Q1. What contextual forces drive and/or constrain administrative reforms?
Q2. What role does ICT play in the course and outcomes of reform efforts?

These questions will be approached from two angles. First, the descriptive, which mainly illustrates the program path, the responsibilities spread across the various administrative bodies, in particular, the decisions to attribute tasks to the numerous SUAP actors (specialization) and the mechanisms of inter-organizational coordination, and, second, the explanatory, which captures the political factors, the domestic historical-
institutional legacies and the external pressures that are essential to understand and interpret the program and its logics as a holistic constellation.

4. The SUAP reform program

As part of the Italian government’s plan to simplify business-PA relations, the One-Stop Business Shop Act (Law 447/1998 or SUAP) compelled each of Italy’s local councils to set up a single organizational unit for business owners to expedite all the requirements to open, change and/or close an activity. The SUAP could be set up either independently or jointly with other municipalities (inter-municipal cooperation) with the proviso that only one single organization handled the entire business service process and that a new figure of authority, the Head of Coordination, was appointed to manage and coordinate all the relevant public bodies in the SUAP sphere.

The government’s stated objective was to modernize a legacy system whereby each Italian council was at liberty to decide and apply the procedures, forms and tariffs it saw fit, forcing business owners in especially complex and/or sensitive sectors to embark on a bureaucratic hike through numerous public offices to comply with a variegated menu of requirements and procedures. This not only added more layers of red tape, it also bumped up costs. Hence, the SUAP was tasked with streamlining the entire business authorization-licensing-permit process through the online coordination of all the public bodies involved (e.g., local healthcare authorities, fire brigade, provincial and regional governments, regional environment authorities) and ensuring the entrepreneurs a single point of contact to obtain the necessary authorizations.

The program’s reliance on technology as the transformational tool to shape the SUAP into the desired digital government service center (Hogrebe, Kruse and Nüttgens, 2008) has led the legislator to constantly tweak and re-costume the program since its inception, subjecting Italy’s One-Stop Business Shop to strong elements of discontinuity. That negative trend was arrested only in 2010 by Law 160, a watershed for the SUAP that leads us to better map its evolution by splitting the descriptive timeline into the two distinct phases of 1998-2009 and 2010-2015.

4.1 SUAP (1998-2009)

The SUAP program was seeded on the NPM bedrock of Italy’s PA in a climate of continuous structural change, imposing radical changes that would completely change its make-up, in particular:

– administrative decentralization and devolution of business-related services to the councils, considered the most appropriate institutional level to deal with local development;
– the separation of government from administrative functions, restricting the action of the political bodies to exclusively that of regulating the SUAP’s functions and obliging the councils to appoint a new figure of authority to coordinate the relevant public bodies (Head of Coordination);
– the absence of the organizational direction typical of Napoleonic governance that left the councils without a basic SUAP model of operations;
– the use of ICT to achieve efficiency gains (reduction in business authorization processing time), improve efficacy (quality of business-PA relations), and ensure transparent procedures (online access to business owners/representatives to monitor application status).

In a nutshell, the Italian councils, very few of which had the necessary experience or capabilities, had to both define their SUAP structures and manage complex vertical and horizontal specialization and coordination issues.

Specialization – in general terms, the principles of decentralization and devolution call for splitting the various tasks across different administrative levels, i.e., the vertical specialization of the SUAP business services. The central government established the general regulatory principles for the overall system; the regional governments had to issue certain sector laws and specific regulations for the functioning of the
SUAP; and the councils, considered those more directly involved with the local citizens and businesses, had to organize and manage the SUAP’s operations, implementing the directives issued by other government levels. The councils were purposely left free to define the SUAP’s configuration but had to appoint a Head of Coordination to ensure the ‘under-one-roof’ management of all the coordination activities for opening, changing or closing a business.

Horizontal and vertical specialization was central to the local implementation of the SUAP program. In fact, to more efficiently and efficaciously meet the needs of the business sector, the regulations indicated from the outset that it was necessary to channel the relevant competences (especially the construction and commercial authorizations traditionally handled by separate internal units) into a single specialized municipal organizational unit. However, the legislator left certain competences and discretionality to the specialized public bodies (e.g., local healthcare authorities, fire brigade, provincial and regional governments, regional environment authorities, etc.).

Coordination – is the linchpin of especially the internal and external horizontal aspects of the SUAP, which was given the immediate internal coordination challenge of ensuring the exchange of information between the business services organizational units and the operational coordination of the various competences. Internal coordination was particularly critical when the SUAP was implemented in a unit of the matrix kind, where the staff perceived the arrival of the Head of Coordination as ‘interfering’ with their autonomy and disrupting the status quo.

External coordination presented similar challenges, seeing that the Italian regulatory and institutional framework gives the jurisdiction of different business services to different public organizations. This fragmented scenario forces the SUAP to coordinate a plethora of public agencies over which it has no authority, making it and the Head of Coordination totally dependent on the good will and cooperation of all the relative governmental agencies to comply with its legal obligations.

Moreover, to implement the SUAP the Italian councils had to manage not only the internal and external coordination of the agents directly concerned with the business services procedures (positive coordination), but also the problems of negative coordination to prevent certain legally imposed restrictions (above all, authorization deadlines) from disrupting other organizational units not directly related to the SUAP.

The heavy demands of intra-organizational and inter-organizational coordination weakened the efforts of the Italian councils to help the SUAP program achieve its goals and only 5718 of Italy’s 8,101 councils had implemented a one-stop business shop by the end of 2007. This disappointing outcome, coupled with the pressing need to comply with the ‘Bolkestein’ Directive (2006/123/EC) applicable to all EU member states, forced the Italian legislator’s hand again in 2010, resulting in a review of the One-Stop Business Shop’s existing regulations and, ultimately, Law 160/2010.

4.2 SUAP (2010-2015)
The major changes introduced to the SUAP program by Law 160/2010 were primarily:

- the www.impresainungiorno.gov.it website (European Directive 2006/123/EC) to provide business owners with access to the Italian SUAP network via a single centralized online front office (Single Point of Contact or ‘SPC’);
- exclusively online delivery of business services and compulsory electronic communication with all SUAP-related actors;
- the need to possess basic technological requirements to qualify as full-fledged operators and gain accreditation with the Ministry for Economic Development (Ministero per lo Sviluppo Economico - MISE);
- the special agreement for councils opting to delegate SUAP management to their local Chamber of Commerce (CC);
- the default transfer of SUAP management to the local CC should the council fail to comply with the MISE accreditation requirements by 1 January 2011.
The new law had a significant impact on the dynamics of specialization and coordination.

Specialization – Law 160/2010 recognized the principle of both vertical and horizontal specialization but still introduced major vertical coordination factors that clashed with the specialization route charted since 1998, in particular: the centralization of the SUAP front office through the impresainungiorno.gov.it website; the government’s definition of the qualifications for MISE accreditation; and the compulsory transfer of the SUAP management to the local Chamber of Commerce should it fail to meet those requirements.

Coordination – The stronger measures of Law 160/2010 aimed to hammer home the need to simplify the administrative processes, and several of them were also written into the national simplification agenda (Agenda per la Semplificazione 2015-2017 [www.italiasemplice.gov.it]) to cover aspects such as standardized forms and the government-issued SUAP guidelines and standard operating procedures.

However, the inability of the different PA departments to work in organizational synergy was the biggest complaint recorded by the latest available data produced by a 2013 survey to measure the level of satisfaction with PA business services of the Italian Small, Medium and Micro Enterprises (SMME) (PromoPa, 2013), which shows that neither Law 160/2010 nor the Agenda per la Semplificazione had done much to fix the matter of internal and external horizontal coordination. The failure of the first-generation of legal owners (the councils and their aggregations) to get the one-stop business shops up and running thus led the government to add yet another institutional actor to the SUAP cast, the Chamber of Commerce, thereby absolving those councils who chose to transfer the SUAP management to these public bodies from the costly and complex redesign of their organizational geometry. Further, assigning the job of coordination to a reputable external player with recognized technological capabilities meant leapfrogging (or at least considerably lowering) the barriers to managing the internal relations of the council organization, effectively depriving the SUAP’s Head of Coordination of managerial responsibilities. The management of external coordination followed a similar path given that, even though this task was not considered part of the formal relations subordinate to the hierarchy or other authority, the Chamber of Commerce’s de facto influence over the relevant institutions far outweighs that of a single council (especially the smaller) or council aggregations.

Hence, Law 160/2010 rebooted the under-subscribed SUAP system, raising the number of councils with a fully MISE-accredited SUAP from 4999 in July 2011 to 7649 in June 2013, 2951 of which (mainly those of the smallest councils) Chamber of Commerce managed (MISE 2013). Nevertheless, even though the One-Stop Business Shop is currently the most important fully online service delivered by Italy’s local government (OECD 2012), the SUAP program has yet to prove its effective capacity to generate the desired benefits.

In fact, despite the lawmaker’s efforts to launch the SUAP 18 years ago and the continuous stream of legislation through 2010, not only are the policy objectives still out of reach, Italy has descended even further in the international competitiveness rankings (WEF, 2014), which indicate no sign of improvement in the ease of doing business or those areas related to the activities of Local Government (EDB, 2014), an almost imperceptible narrowing of the efficiency gap in the PA services (including those of the online SUAP) as perceived by the Italian SMME, and that the overweight bureaucratic and administrative system is a major risk factor that continues to threaten SMME survival (PromoPa, 2013).

Hence, with the expected benefits still nowhere in sight, we can only conclude that the SUAP program alone was not up to the job, which raises the hardly irrelevant questions of the why of these inadequate outcomes and how to get to the root of the problem. Two factors clear the technological side of any and all culpability for the lack of success: i) most Italian councils, regardless of the type of organizational solution adopted, now have a MISE-accredited SUAP, which means they satisfy the technological requirements of Law 160/2010; and ii) all the currently operating One-Stop Business Shops communicate electronically with both the businesses and the relevant public bodies, hence, we must look elsewhere for the causes.

Fig. 1, below, frames the key policy measures of the SUAP program’s 1998-2015 timeline, the criticalities that emerged in Phase one and the responses given in Phase two.
5. Discussion

An exhaustive investigation into all the potentially relevant factors that sent the SUAP down such a long and winding road is beyond the remit of this paper, this section therefore scrutinizes exclusively the contextual conditions that most affected the dynamics of specialization and coordination, using the categories of political factors, historical and institutional legacy and external pressures identified by Bezes and colleagues (2013).

The paper has illustrated how the unpreparedness of the Italian councils to manage the complex problems of intra-organizational and inter-organizational coordination between actors and processes was a strategic flaw that significantly eroded the expected benefits. Despite legal capacity as process owner, the SUAP’s Head of Coordination never gained a foothold. In fact, each council would have had to reengineer their internal organizational structure to strengthen the new role’s influence, which, in turn, would ruffle feathers in the political domain and would not win support from the higher circles of government. Clearly, any attempt to transform the municipal machinery, coupled with the intrinsic weakness of the central and local government public bodies brought about by the collapse of Italy’s political system, the fuse of which was lit in the early 1990s, has been severely hindered by fact that the functions of direction have been separated from those of administration (the reform legacy of the 1990s NPM doctrine).

Moreover, the global crisis and strong external pressures to cut public spending have depleted the economic resources needed to fund the much-needed strengthening of the councils’ internal coordination managerial roles, while making ICT investments and new staff hires the first victims of austerity has prevented especially the smallest Italian councils from on-boarding a new generation of public managers and
from issuing internal managerial training and upskilling courses to promote the organic growth of the relevant capabilities.

The Italian PA’s institutional and historical legacy of fragmentation stops the smaller councils from investing in managerial skills and further magnifies the negative impact of these contingent factors. Law 447/1998 initially addressed this problem by giving the councils the option to manage the SUAP in an associated form, which led many regional governments to grant funding to the small municipalities to drive them off the original NPM path by incentivizing joined-up government (Conteh, 2013). Interestingly, the Italian PA’s firmly embedded legalistic culture has not stopped it from resisting the government’s attempt to defragment by reform; in fact, the number of councils continues to hover at and around 8,000, 75% of which have fewer than 5000 residents, while 2000 have less than 1000, earning these tiny communities the sobriquet ‘dust councils’.

Faced with the contextual constraints that only a profound upheaval of the entire Italian local government system could neutralize, Law 160/2010 introduced an alternative, outsourcing-based process management model that allowed the councils to delegate SUAP management to the local CC, sweeping away the obstacles that had defeated the new Head of Coordination. Nevertheless, the data reported in the previous section show that the CC-outsourcing route taken by a large number of Italian councils (2951 at June 2013) does not seem to have helped the SUAP program to hit target.

Delegating the SUAP to the Chambers of Commerce was dictated by several interrelated environmental factors: i) the ongoing pressures exerted by the national business and industry associations and by the supranationals to accelerate the simplification process and to reduce the administrative burdens on enterprises and citizens; ii) the business sector’s growing dissatisfaction with the local councils (according to the PromoPa [2013] poll, the degree of satisfaction on a scale of 1-10 fell from 4.9 in 2006 to 4.3 in 2010); iii) the constant struggle of the Italian councils to implement a fully operational One-Stop Business Shop (according to the government’s impresainungiorno.gov.it website, a good 3095 councils lacked the SUAP-MISE requisites at July 2010); and iv) the political marketing goals set by the Berlusconi government to improve Italy’s ranking in the international indices.

Such a complex narrative spotlighted the CC as the ideal candidates to manage the SUAP and to intermediate between the local councils and the business sector, not least because, public status notwithstanding, they are not seen in the same institutional bad light as their PA counterparts. Rather, the business sector perceives the CC as being free of the adversarial and overly bureaucratic demands of local government.

While the councils were offered alternatives (direct in-house implementation of the One-Stop Business Shop; associated management; delegation to the local CC) that may initially appear to have facilitated their work to the benefit of the entire system, this mixed bag of options and solutions merely veiled it in yet another layer of complexity (and potential weaknesses). Indeed, numerous councils took the easier path of placing the SUAP in the hands of the CC rather than face the inherent complexity of operating an associated form, thus undoing the inter-municipal cooperation incentivized by the special programs of earlier years.

The paradox of Law 160/2010 was that it gave new life to the SUAP program but reversed the direction of the 1998-2009 joined-up government policies, especially at the local level, which, among other things, were meant to deflect the SUAP program from its original NPM launch pad. Hence, the 2010 legislative SUAP review, like many of the earlier legislative tweaks, suggests a reaction to external pressures more than the desire to undertake comprehensive and coherent reform.

The insights gleaned from the analysis conducted in Section 4 coupled with the above considerations enable us to formulate overall responses to the study’s research questions:

Q1. What contextual forces drive and/or constrain administrative reforms?
The SUAP analysis confirms that the three categories of interlinked factors of environmental pressure, historical-institutional context and polity features framed by Christensen and Lægreid (2013) are essential to
describe and explain the outcomes of nationwide administrative reforms, and that these multiple and intersecting factors are not a passive backdrop but actively work to delineate the implementers’ scope of action.

The SUAP trajectory evidences how Italy’s reform processes are typically over-layered and often subject to contradictory inputs that incorporate by ‘accumulation’ heterogeneous administrative principles, perspectives and practices (Christensen and Lægreid, 2011). The administrative tradition’s legalistic, top-down treatment of the SUAP program’s coordination and specialization issues has indubitably influenced this state of affairs by completely ignoring their primarily organizational and context-dependent nature. That a cross-cutting nationwide program has failed to deliver the required support and direction to ensure coordination only corroborates the thorny point made by Sarapuu and colleagues (2014, p. 266) that coordination arrangements are not always logical, and ‘are often biased towards certain values, interests and norms’.

Q2. What role does ICT play in the course and outcomes of reform efforts?

Even though, from the outset, the SUAP program’s standardization approach gave ICT the triple role of communication, coordination and integration at both the intra-organizational (in the operational units of the same local council) and the inter-organizational level (among various public administrations within and across different responsibilities), the analysis absolves ICT of the blame for its mixed outcomes, placing more importance on the still unresolved organizational issues and less on the technical compatibility glitches usually made the scapegoats of the unsuccessful implementation of large public-sector IS projects (e.g., Margetts and Willcocks, 1993; Taylor and Lips, 2008).

Moreover, temporal advances in ICT (mainly web-based technologies) have greatly facilitated the deployment of platforms capable of solving the technical compatibility issues, with ongoing innovation producing increasingly performative and cost-effective ICT tools that support various one-stop provision formats. Nevertheless, the study shows that the availability of commodity-like IT assets alone was not enough to enable the administrative machinery’s expected leap in quality. In particular, oblivious to the need to integrate and harmonize IT assets and organization routines, the councils continued to experience the age-old problems of functional compatibility (between the technical and the normative components) and institutional compatibility (between the multiple organizational and institutional bodies involved in the administrative processes) (Lanzara, 2009). This is what has either stopped the SUAP from realizing its full potential or limited it solely to front-office operations.

6. Implications and conclusions

This paper combines the configurational approach and the ‘common grammar’ of Bezes et al. (2013) to describe the trajectory of Italy’s One-Stop Business Shop (SUAP). Retracing the many stops and starts of the ICT-enabled administrative reform highlights not only the context-specific nature of public-sector transformation, but also that success or failure is determined by multiple hard-to-govern factors. The study uses the critical lens of the configurational approach to more effectively capture, frame and assess the evidence as parts of the bigger picture, enabling us to connect the events and outcomes to the key factors of success typically cited in the e-Government literature (Gil-Garcia and Pardo, 2005) and empirically ground this stream of research.

The analytical payoffs of a context-aware lens that integrates the country-specific factors and the organizational dynamics for both the theory and the practice of digital government are essential insights that: i) make sense of the non-reducible complexity of public sector transformations; ii) correlate the implementation outcomes to a relatively small number of mixed contextual variables; and iii) cast light on the crucial role of the coordination and integration arrangements, identifying the macro and micro-
organizational implications. This is the understanding needed to inform future models and theories of change.

The configurational approach exemplified here has three practical benefits:

i) provides the public decision makers with a sturdier conceptual toolkit to calibrate the ‘classical trade-off’ between coordination across organizational boundaries and specialization (Askim et al., 2011, p. 1451) by demonstrating the substantial effort demanded of the implementers to design the coordination and integration arrangements. In particular, the SUAP case shows how the Napoleonic type of decentralized political-administrative environments strews the reform path with rocks and boulders;

ii) frames ICT as a resource that must be activated prior to the implementation effort and only afterwards transformed into capabilities by way of a contextual, path-dependent approach to adapt and integrate them with the extant routines and assets; and

iii) suggests that to achieve the successful coordination of new programs, the decision makers of the implementer organizations need extra resources in both the set-up phase and to keep the new routines up and running. A contextual approach is a vital piece of the reform puzzle without which neither the central nor the local decision makers can create the conditions for a successful government program both within and beyond the public sector, for example, through the design of appropriate laws, regulations, and evaluation procedures.

Our final argument is that this exploratory reconstruction of the SUAP reform path confirms the findings of previous studies that conclude that ignoring the historical institutional context tends ‘to produce new reforms rather than increased performance’ (Christensen and Lægreid, 2013, p. 150). Unexpectedly, the analysis also clears ICT of all blame for the SUAP program’s mixed outcomes. Even though a configurational lens requires no causal explanation or general model to strengthen our understanding of the reform trajectories, the authors acknowledge that the example of this approach applied to the SUAP program contains ‘quite a lot of thin ice’, to use the words of Pollitt and Bouckaert (2013, p. 207). The most obvious limitation is that the adoption of an interpretative stance rules out a response to the ‘why’ question, which requires multiple and in-depth case studies to develop future conceptual efforts that analyze and operationalize the sum of the parts of the three categories identified by Bezes and colleagues.

References


NOTES ON CONTRIBUTORS

Walter Castelnovo, PhD, is Assistant Professor of Information Systems and Inter-organizational Networks at the University of Insubria (Italy). He served as member of the committee for many international conferences and journals on E-Government and ICT evaluation. He is also the e-government advisor of the Association of the Municipalities of the Region Lombardia (Italy) that represents more than 1500 municipalities.

Maddalena Sorrentino researches in Business Organization at Università degli Studi di Milano and is a professor of eGovernment. Her articles have been published in international journals and conference proceedings. She is the Director of ICONA, a research Centre for organizational innovation in public administrations.