



Italy: does the Madia¹ Act herald the advent of an efficient and effective government?

The Italian civil service, which employs 3.2 million people², has a poor image, supposedly mired in red tape and susceptible to corruption. In the World Bank's 2013 Worldwide Governance Indicators, it ranked 25 out of 28 EU member states for government effectiveness. The World Bank's Doing Business 2015³ survey ranked it 22nd for dealing with construction permits and registering property; liquidating a company takes eight years, while it takes eight months to obtain a construction permit⁴. This is why EU institutions are strongly urging Italy to modernise its public administration⁵.

Since the beginning of the 1990s, the Italian civil service has undergone several reform phases³ with a New Public Management bias: reforms under the Cassese Acts in 1992-1993 which focused on government modernisation⁶, the Bassanini reforms at the end of the 1990s which focused on government streamlining⁷, the Brunetta reforms in 2009 to improve government efficiency and transparency⁸; and the Spending Review introduced by Mario Monti⁹ in 2012 to reduce government expenditure.

The culmination of 25 years of government reform, “another milestone in Italy’s journey towards streamlined public services more in step with citizens’ needs”¹⁰”

The abovementioned reforms did not have the desired effect⁴. Contrary to expectations, administrative procedures often seem more complicated and take longer than before, and the many exceptions that exist have cancelled out any positive impact these reforms might have had³. According to Mauro Pisu, head of the OECD's Italy Desk, many reforms have only been partially implemented. Some sectors are so regulated that there is little compliance with legislation that is often written in indecipherable language. On the whole, Italy's civil service is considered inefficient and the public services offered of poor quality¹¹.

¹ On 4 August, one year after their counterparts in the Chamber of Deputies, the Italian Senate approved a **package of public-sector streamlining and savings measures**. It constitutes a bold attempt at reforming Italy's civil service and has been named after Marianna Madia, the Minister for Administrative Streamlining and Public Administration, part of Matteo Renzi's government

² 3,232,954 according to data published annually by the State Accountant General (*Ragioneria Generale dello Stato*) in 2015: http://www.huffingtonpost.it/2015/01/18/pubblica-amministrazione-licenziati_n_6495626.html

³ <http://www.revuegeneraledudroit.eu/blog/2015/08/30/sur-la-loi-madia-du-7-aout-2015-en-matiere-de-reorganisation-des-administrations-publiques-italiennes/>

⁴ <http://www.reuters.com/article/2015/08/30/us-italy-economy-reforms-analysis-idUSKCN0QZ07320150830>

⁵ Council of the European Union, Council Recommendation of 14 July 2015 on the 2015 National Reform Programme of Italy and delivering a Council opinion on the 2015 Stability Programme of Italy, Official Journal of the European Union, 18 August 2015, C 272/61

⁶ <http://www.normattiva.it/uri-res/N2Ls?um:nir:stato:legge:1992-10-23:42> <http://www.normattiva.it/uri-res/N2Ls?um:nir:stato:decreto.legislativo:1993-02-03:29>

⁷ <http://www.normattiva.it/uri-res/N2Ls?um:nir:stato:legge:1997-03-15:59> <http://www.normattiva.it/uri-res/N2Ls?um:nir:stato:decreto.legislativo:1999-07-30:300> <http://www.normattiva.it/uri-res/N2Ls?um:nir:stato:decreto.legislativo:2001-03-30:165>

⁸ <http://www.normattiva.it/uri-res/N2Ls?um:nir:stato:legge:2009-03-04:15> <http://www.normattiva.it/uri-res/N2Ls?um:nir:stato:decreto.legislativo:2009-10-27:150>

⁹ http://www.economie.gouv.fr/files/reactive_ndeg_62_-_mars-2014_-_italie.pdf

¹⁰ Marianna Maida's Twitter account, 30 April 2015

¹¹ <http://www.promopa.it/component/content/article/185-comunitasata-sulla-conoscenza/approfondimenti-commenti/1404-legge-124-2015-riforma-pa-francesco-verbaro.html>

The Madia Act forms part of a package of reforms introduced by the Renzi government comprising draft constitutional reform and a new electoral law. “Backed by a large majority in the Chamber of Deputies, the government will be able to introduce the legislation required to implement its electoral programme and ensure its application via a better organised civil service with streamlined procedures”³.

The first three measures of these landmark reforms were introduced this summer¹². Article 3 of the Madia Act provides for the principle of “tacit approval”, which applies only to intergovernmental procedures. Public services must now process and answer requests within 30 days; this deadline can be suspended once if additional information is required. In certain sectors (culture, healthcare or the environment), the deadline may be extended to 90 days. To provide legal safeguards, the terms and conditions for withdrawing or cancelling administrative decisions (Article 6) have been revised: the public authorities now have eighteen months to cancel one of their own decisions if deemed unlawful. Once this deadline has expired, the decision is considered final. Lastly, the Act has reintroduced the option of recruiting retired civil servants or private-sector employees for free (cancelled previously by Executive Order 95/2012).

Eighteen measures to be introduced in six phases: a streamlined, more proactive government to banish red tape¹³

The modernisation of Italy’s public services will continue up to the spring of 2016. A flagship measure will be the so-called “guillotine” decree scheduled to come into effect in November 2015: all texts not yet applied since 2011 will simply be cancelled.

The biggest changes will come in the summer of 2016. Marianna Madia’s key objective¹³ is to make citizens’ lives simpler. Consequently, she will focus on developing the use of digital technology¹⁴ in the supply of public services: this will involve the introduction of a digital identity card that will be used by citizens in their dealings with government departments. Furthermore, transparency will be boosted by providing free access to government documents and data (Freedom of Information Act, FOIA). Lastly, to improve citizens’ access to public services, all government departments will be grouped together into one single geographical unit that can be accessed via a one-stop shop.

The second major reform aims to help investors by streamlining authorisation procedures. First of all, the *Conferenze di servizi per le opere pubbliche* used to coordinate several government departments involved in one single procedure will be overhauled. It will have fewer members, will hold fewer compulsory meetings, will introduce videoconferences and limit the duration of meetings¹⁵. A fast-track procedure will be introduced to speed up procedures for projects of public interest, commercial activities and significant production sites¹⁶.

There are also plans to streamline government departments, which will include a certain degree of restructuring and some workforce reductions: the number of prefecture offices will be reduced along with the number of Chambers of Commerce (from 105 to 60). The police force will be overhauled, and some municipalities will be abolished, as will all “useless” organisations. Lastly, measures to achieve a work-life balance will be included in a directive to be issued by the Council President³.

State-owned enterprises will also undergo reform, reducing their number from the current 8,000¹⁶: only strategic activities will be kept under the government’s wing, directors will be allocated new responsibilities, and very tight control will be kept over recruitment and spending.

The final phase of reform will take place in February 2017 when civil servants’ status and recruitment process will be reformed. The civil service will be made more flexible and adaptable through a reduction in the number of staff, a limit to contract renewals and the introduction of performance-based pay¹⁷.

A genuine “revolution”¹⁷?

Some have criticised the provisions of the Act. For example, they are against the dismantling of the National Forestry Commission which plays an important environmental protection role¹⁸. The reforms do not correspond to the expectations of some citizens and economic observers¹⁹ and appear to fall short of what is required¹¹. Civil servants do not really believe in the reforms: only 41% think that they will have a genuine impact on their daily working lives and that they will introduce the

¹² <http://www.italy24.ilsole24ore.com/art/government-policies/2015-08-19/riforma-pa-172134.php?uid=ACxLWpj>

¹³ http://issuu.com/passodopopasso/docs/riforma_pa

¹⁴ http://www.italy24.ilsole24ore.com/pdf/2010/08/24/20150824_riformaPa.pdf

¹⁵ <http://www.italy24.ilsole24ore.com/art/government-policies/2015-08-04/riforma-pa-144223.php?uid=ACfbzhc>

¹⁶ <http://www.rfi.fr/europe/20150804-italie-le-senat-adopte-une-loi-simplification-administrative>

¹⁷ Matteo Renzi in <http://www.rfi.fr/europe/20150804-italie-le-senat-adopte-une-loi-simplification-administrative>

¹⁸ <http://www.ilfattoquotidiano.it/2015/08/25/corpo-forestale-dello-stato-a-chi-giova-sopprimerlo/1980641/>

¹⁹ <http://country.eiu.com/article.aspx?articleid=1683244952&Country=Italy&topic=Politics&subtopic=Forecast&subsubtopic=Political+stability>

much sought-after changes²⁰. In short, the Act simply outlines principles and an implementing decree will be required to introduce almost all of the measures (only five articles come into immediate effect)³. Its impact will thus be limited, and it will take several years for all measures to be implemented. Furthermore, it is common practice for many acts not to be followed up by the implementing decrees required: at the start of 2015, 383 laws adopted since 2011 had never been the subject of an implementing decree as they had not been approved by the relevant ministries. This is true for half of the laws passed by the former Prime Minister Enrico Letta (who left office in February 2014) and one-quarter of the laws passed by his predecessor, Mario Monti (who resigned in 2012). Provisions removed previously are often reintroduced. For example, the local residence tax for municipalities withdrawn by the Berlusconi government was reintroduced and increased in 2012 by Mario Monti²¹. Vito Tanzi, an Italian economist, pointed out the wide disparity at regional level of the application of laws adopted at national level. Lastly, many bureaucrats will simply throw out projects deemed to be too ambitious, and often block the application of new measures³. According to Vito Tanzi, the reforms often “give the impression of change while really changing little”. Nevertheless, according to the *Institut de l'Entreprise* survey, “the cumulative reform process implemented by successive governments since the crisis should begin to pay off²²”. Furthermore, the adoption of the Senate reform on October 13, 2015 augurs well as it will help to speed up change by limiting the Senate’s power to block legislation²³.

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²⁰ <http://www.forumpa.it/riforma-pa/una-pa-piu-moderna-per-costruirla-il-primo-mattone-e-la-fiducia>

²¹ <http://www.jean-jaures.org/Publications/Notes/La-reforme-des-province-italiennes>

²² http://www.institut-entreprise.fr/sites/default/files/publication/docs/publication_extrait/fiche_italie_chemin_escarpe_reformes_web.pdf

²³ <http://www.euractiv.com/sections/elections/renzi-verge-refoming-unreformable-italy-318448>