

Re-organizing the service-delivery machine in a “post-NPM” era: A shopping-basket approach?

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Abstract. We investigate how the reorganization of the service-delivery “machine” is resulting in a hybridization of NPM and post-NPM principles. We compare reform trajectories in Italy and Spain to illustrate and interpret the combination of reorganization recipes that, from both the provision and production sides, affected service delivery; and how the NPM and post-NPM principles have been followed. Our analysis of how organizational structures for public service delivery have been reformed shows that reformers are increasingly induced to adopt a shopping-basket approach, leading them to use different menus and ingredients, mixing them, to create recipes that are better suited to domestic tastes.

Keywords: Privatization; Inter-municipal cooperation; Corporatization; Remunicipalization; Local Government

.1 Introduction

This article contributes to the international debate on the co-existence of public administration paradigms that have emerged in recent decades to remedy the problems of the New Public Management (NPM) approach, through the analysis of how the adoption of multiple paradigms is happening in different countries when different institutional alternatives are chosen to re-organize the service-delivery “machine”.

Beginning in the 2000s, several studies highlighted some of the unexpected or unintended effects of the reforms inspired by the “NPM” principles. In this context, the so called “post-NPM” approach brings together a variety of models of administrative reforms that can be synthesized along two main trajectories (e.g., Christensen and Lægreid 2007; Pollit and Bouckaert 2011, 2017): i) a return of the role of the State as the main facilitator of solutions, through a reaffirmation of hierarchical mechanisms of coordination (as described by the “Neo-Weberian State”, NWS); ii) an emphasis on the principles of horizontal integration between public and/or private actors as a prerequisite to increase the effectiveness in service delivery (such as described by the “New Public Governance”, NPG). Between these two possible reform trajectories, recent research suggests that the values and ideas of NPM can still co-exist with features of paradigmatic “layering” or “hybridity” (Chen et al. 2023, p. 2). That results in a “layering” or “hybrid” state in which a predominant, public administration reform paradigm may co-exist with, or blend with, other competing paradigms, rather than replaces them (see, among others: Torfing et al. 2020; Pollit and Bouckaert, 2017; Christensen et al. 2020; Christensen and Lægreid 2022).

Hence, recent literature has available increasing evidence (e.g., Torfing et al. 2020) that a “hybridization” of NPM and post-NPM values approaches is common, as reformers are induced

to adopt a shopping-basket approach for service delivery. This leads reformers to mix menus and ingredients to create recipes better suited to domestic tastes (Pollit and Bouckaert 2017). While the prevalence of a ‘hybrid state’ is widely accepted, how this co-existence happens has barely been tested in the field of public service delivery. More specifically, scarce research has focused on how hybridization develops by re-organizing the service-delivery machine. And when tested, mostly unique forms of reaction to NPM were investigated, while the analysis of different reform trajectories and their connection with NPM and post-NPM principles has been often overlooked.

These limitations of the literature make our analysis particularly interesting and original in contributing to the debate on the relationship between NPM and other post-NPM trajectories and framing in view of the complexity, hybridity, and stratification of the current landscape of the reform of the public sector, through analysis of how NPM concepts, practices and measures are combined with other post-NPM ones when service-delivery machine needs to be reorganized.

Indeed, the choice of an organizational form is an important strategic decision that public managers must face (Bingham and O’Leary, 2009), and contracting to private firms was an organizational choice that aligned with several principles emphasized by NPM, such as performance-based management, contracts, decentralization. However, after a powerful expansion of contracting out in the last decades of the past century, privatization lost steam in the current century due to the growing disappointment about the cost savings from privatization (e.g., Hodge, 2000; Bel, Fageda and Warner, 2010).

The waning enthusiasm with privatization has encouraged other types of reforms that have a different relationship to NPM values. On the provision dimension,¹ concerns with suboptimal jurisdictions and cost structures have triggered merger of municipalities and intermunicipal cooperation, as reforms that reduce the need to rely on private producers to exploit scale economies in local jurisdictions (e.g., Bel and Warner, 2015; Bel and Sebő, 2021; Bel et al, 2023; Reingewertz and Serritzlew, 2019). On the production dimension, corporatization of government-controlled delivery has been used to foster NPM principles (Andrews et al, 2019; Andrews et al, 2022; Van Genugten et al, 2020). More drastically, remunicipalization has been used to bring service management back under government control (Albalate, Bel and Reeves, 2022), although its relationship to the NPM principles largely depends on whether government owned-corporate forms have been created to manage the service after remunicipalization, or management has reverted to in-house delivery (Voorn, Van Genugten and Van Thiel, 2021; Cumbers and Paul, 2022).

We compare the extent of those types of alternative reforms in Italy and Spain. While the recognition that reforms representing multiple paradigms can be adopted within the same country is not new (e.g., Xiaolong and Christensen 2019; Goldfinch and Yamamoto, 2019), the analysis of how it happens may bring original results to contribute discussion about hybridization of post-NPM values. Hence, as compare previous literature, our goal is to illustrate and interpret

¹ By provision we mean the responsibility for the delivery of the public service. Note that since provision is always governmental in our study, it could also be called 'provider jurisdiction'. We use 'provision' for simplicity. By production we mean the organization and management of the delivery of the public service.

the combination of reorganization recipes that, from both the provision and production sides, have affected service delivery, and how the NPM and post-NPM principles have been followed. Since both are relatively large countries within the same legal origin/administrative tradition (French Civil Law), similarities and differences found would mainly reflect mostly the influence of strictly national institutional frameworks. The authors collected original qualitative and quantitative data over the last decade to interpret these diverse reform paths to explain the heterogenous, and mixed adoption of the principles of NPM, NPG and NWS affecting service delivery reforms.

The article is structured as follow: Section 2 introduces the theoretical background; Section 3 presents the multiple choices for public service delivery available; Section 4 introduces the research design and methodology used; Section 5 presents the local government reforms in Italy; Section 6 presents the local government reforms in Spain; Section 7 debates the findings and concludes.

2. Theoretical Background: From NPM approach to a hybridization of post-NPM values

Until the late 1970s, the 'Traditional Public Administration' (TPA) represented the dominant paradigm within public sector reform. The key policy insight underlining this paradigm was the strong separation between politics and administration (Weber, 1922) with governments being the only entity directly involved in the provision and delivery of public services (Hartley, 2005). Many traditional critiques of the traditional bureaucratic model of public administration arose in the 1950s and 1960s (e.g., Merton, 1949; Gouldner, 1954; Crozier, 1964) that emphasized the

excessive formalization of the administrative activity that inhibited the search for innovative and/or flexible organizational solutions. These criticisms accelerated the reform of the TPA model in many Western democracies towards the NPM paradigm (Hood, 1995). The latter introduced new policy ideas pushing towards a radical modernization of public sectors. The NPM paradigm is characterized by the introduction of managerial tools and market-type mechanisms inspired by the logic of the private sector; among the main tools to that purpose, the following have been listed: privatization (usually by means of outsourcing of services); downsizing; a clear separation between political and managerial functions; decentralization; a focus on performance-based controls; evaluation practices; organizational specialization, etc.

The use of a different mix of these NPM ‘ingredients’ inspired the public sector reforms introduced in most Western countries during the 1990s and 2000s, including those related to both the provision and the production of public services. Despite the widespread interest of the governments in contemporary democracies in adopting reforms that increasingly bring the public sector closer to the managerial logic of the private sector, since the 2000s several studies have highlighted some of the unexpected or unintended effects of the reforms inspired by the ‘NPM’ principles. Indeed, public administration scholars «documented the failure to deliver on the promises of deregulation, innovation and cost-efficiency, as well as the negative impact on public service motivation, organizational fragmentation and core bureaucratic values such as fairness, equity and political accountability» (Torfing et al., 2020: 13–14).

Two main streams of criticism of the NPM approach can be identified. On one hand, some scholars (e.g., Hughes 1998) have stressed that the NPM model is based on economic theories (in particular, neoclassic economic theory, public choice theory, and principal-agent theory), which

are based on assumptions that are often unrealistic when transferred to the public sector. On the other hand, other scholars (e.g., Pollit 1991) had criticized policy ideas related to the internal reorganization of public administration and the organizational changes related to the way public service delivery should be managed, with a more result-oriented orientation. The key point of that critique is that while they are valid theories in the private sector, they would lose their meaning and value in the public sector. These unexpected and unintended effects of the NPM reforms had inspired several public administration/public management scholars in recent decades, these being persuaded that different paradigms of public administrations have arisen in recent decades to reinvigorate the public sector and to remedy the problems with NPM.

These 'post-NPM' paradigms seem to be able to capture the general changing dynamics related to the public sector in contemporary societies (Christensen and Lægreid 2007; Pollit and Bouckaert 2011, 2017). Particularly, Torfing and colleagues (2020) identified four main post-NPM paradigms, that are the NWS, Digital Era Governance, Public Value Management and NPG. While the concepts and values attributable to these four paradigms are more and more used to reinvigorate different sectors of modern public administrations, regarding the institutional reorganization of service-delivery machine, the varieties of models of public sector reform models following a 'post-NPM' approach can be synthesizable along two main trajectories (see Table 1): i) an emphasis on the principles of horizontal integration between public and/or private actors as a prerequisite to increase the efficiency in service delivery (such as described by the NPG); ii) a return of the role of the state as the main facilitator of solutions, through a reaffirmation of hierarchical coordination mechanisms (as described by the NWS).

(Insert table 1)

In contrast to the manufacture-dominant approach of the NPM (Osborne and Stokosch, 2013), NPG paradigm recognizes that the traditional government-dominated public-service system is no longer effective (Cameron, 2007), because the state is not able to address complex social problems alone (Moon, 2018; Lindsay et al. 2014). As a response to the increasing fragmentation and pervasiveness of the modern societies, the NPG paradigm calls for “for cross-cutting collaboration and public innovation” (Torfing et al., 2020: 15–16) through an emphasis on partnerships among a plurality of organizations of different nature (public, private, third sector, and service users). The main inspiring principles underlining public services delivery reforms within a NPG context therefore becomes those of the “horizontal integration” to ensure closer coordination between the various public institutions. Similar inter-organizational cooperation has the valuable intention of further legitimizing the policy-making process, as well as the goal of making public service delivery more effective and less costly.

Unlike the other post-NPM paradigms, the NWS model calls for the ‘reaffirmation of the role of the state as the main facilitator of solutions to the new problems of globalization, technological change, shifting demographics, and environmental threat’ (Pollitt and Bouckaert, 2011: 118–119). Although aware the business-like methods inspired by market-type mechanisms continue to exist, this post-NPM paradigm reaffirms a new, strategic role of state actors capable of guaranteeing sufficient “vertical integration” through coordination mechanisms based on rules, methods, and tools, such as centralized regulation, hierarchical monitoring, centrally defined standards, procedures, clauses, etc.

While aware that there are a variety of models of public sector reforms that follow a “post-NPM” approach, scholars increasingly agree that these post-NPM paradigms are not necessarily

in contrast to one another, possibly co-existing in their different aspects, albeit in shifting and unstable dominance relationships (Torfing et al. 2002). Byrkjeflot et al (2020, 1002) curiously allude to the fact that “in an empirical organization [...] traces of NPM, NPG or other governance concepts in combination with established bureaucratic institutions”. Extending this idea of single organizations to more complex jurisdictions and public sector's areas and units, scholars agree that public sectors reforms introduced in Western democracies in the last two decades increasingly show signs of hybridity, with post-NPM's precepts and concepts interchangeably used; and where there is not a single preferred coordination mechanism, and tools. In modelling public sector reforms, market-type mechanisms and instruments are often used in conjunction with post-NPM principles calling for greater vertical and horizontal integration (Christensen and Lægreid 2007). In line with this post-NPM literature (e.g., Torfing et al. 2020), and adopting a neo-institutional perspective (Hall, 1993), we recognize that the reorganization of the service-delivery “machine” results in a hybridization of NPM and post-NPM principles, because reformers are induced to adopt a shopping-basket approach, leading them to mix menus and ingredients to create recipes that are better suited to domestic tastes (Pollit and Bouckaert 2017).

How this co-existence happens has barely been tested in the field of public service delivery; and when tested, mostly single ways of reaction to NPM had been investigated, while analysis of different reforms trajectories and their connection with NPM and post-NPM principles has often been overlooked. Two specific studies on hybridization of public management paradigms are worth mentioning as exceptions. Goldfinch and Yamamoto (2019) survey Japanese and New Zealand citizens' perceptions of public management reforms and find that New Zealand's experience can be termed as hybridizing the characteristics of TPA and NPM, while

Japan is described as an eclectic reformer. Xiaolong and Christensen (2019) sequentially review the reforms implemented in China since the 1980s and show how NPM and Post-NPM were gradually introduced, thus hybridizing public management in China.

Our research resembles that of Xiaolong and Christensen in the sense that we sequentially review the reforms carried out in the countries we analyse and compare Italy and Spain. In our case, however, we focus on reforms in the governance of local public services (rather than changes in management rules and values) and how these reform paths brought about the hybridization of public management in the delivery of public services. In addition, we contribute to the literature, with an analysis of this question for countries of Civil Law - Napoleonic-type administration, which is different from the administrative systems of China, Japan, and New Zealand.

3 Five decades of local government reform: From privatisation to multiple choices for public service delivery

By the beginning of the last third of the 20th century, criticism of both the objectives and the actual results of government intervention was spreading and growing in intensity ((e.g., Buchanan and Tullock, 1962; Stigler, 1971; Niskanen, 1973);. growing criticism led to scepticism about the actual results of government intervention. In the domain of public management, mistrust in the objectives and effects of government management led to the emergence of the 'New Public Management' (NPM) approach, which challenged the 'Traditional Public Administration' (TPA) paradigm. Closely related to these new theoretical insights and empirical evidence, the NPM emphasized the need to import private-like management as well as technical approaches to

public services delivery (Hood, 1991; Pollitt, 1991). In the next subsections we draw from Schumpeter (1954, p. 47) advice to use history, theory and statistics when conducting research. In doing so, we focus on the local level because this level of government offers several advantages over higher levels of government. The most important are: (1) a wider diversity of reforms, both between municipalities and over time; (2) the relatively large number of municipalities has facilitated extensive studies in the two countries we focus on, and these are one of our preferred sources of information.

3.1. Privatization.

Contracting out to private firms [that is, privatization of the property right to the residual profits from the delivery of public services (Vickers and Yarrow, 1991)] was the main policy reform implemented, particularly in the sphere of local governments. Indeed, a strong wave of privatizations unleashed worldwide, which effects tended initially to be valued positively (e.g., Domberger and Jensen, 1997). Soon, however, doubts began to arise about the economic results of privatization. Empirical evidence on the lack of systematic cost savings from local privatization increased in subsequent years and was further explored in literary metanalyses (e.g., Bel and Warner, 2008) and statistical meta-regressions (e.g., Bel, Fageda and Warner, 2010). Enthusiasm about the privatization results waned, and disappointment increased.

The diagnosis of most important factors focused on significant transaction costs implied by privatization (Brown and Potoski, 2003) and competition failures (Warner and Hefetz, 2002; Bel and Costas, 2006) in line with the pseudo-market characteristics of local public services (Boyne, 1998, Lowery, 1998). An influential article published in 2001 by Warner and Hebdon

(2001) had opened the door to the view that privatization was one among several alternatives for local government reform.

3.2. Reforms in service provision.

Amalgamation of local governments was a relevant policy for territorial reform in the first two decades of the 21st Century (Tavares, 2018; Reingewertz and Serritzlew, 2019). The main -almost sole- objective of compulsory amalgamations is to reduce redundancies in back-office operations and improve the scale of service delivery but has nothing to do with how services are managed in fact, other than the scale; indeed, amalgamation of municipalities is compatible with any type of management in the post-merger situation.

However, forced mergers did not bring the expected benefits of improving scale (Tavares, 2018), mainly because scale economies differ greatly between services, while amalgamation merges all of them. This fuelled an alternative reform of service provision for improving scale of operations, which is intermunicipal cooperation (Bel and Warner, 2015; Torsteinsen and Van Genugten, 2016).). Its main characteristics are its voluntary nature and the fact that amalgamation is limited to the service for which cooperative provision is adopted. While following primarily a collaborative efficiency rationale for cooperation (Elston, MacCarthaigh and Verhoest, 2018; Elston and Dixon, 2020; Bel and Sebő, 2021), as well as other objectives related to quality, equity and universality (Zeemering 2016; Aldag and Warner, 2018; Warner, Aldag and Kim, 2020), intermunicipal cooperation has been often been associated with moving from in house delivery to delivery by means of public firms (Dijkgraaf & Gradus, 2007) -or by private firms, if contracted out (Bel, Fageda and Mur, 2014)-. In this sense, it is not only cost structure of the cooperative

service that has changed, but also the type of management used for delivery, since cooperation has often been associated with de-bureaucratization of service delivery.

3.3. Reforms in service production.

Beyond the possible changes in service delivery derived from changes in service provision, alternatives to privatization directly affecting production options have expanded in the last two decades. Corporatization of government-controlled service delivery has greatly expanded in recent years. Public corporations, still owned by governments but operating under commercial law, with varying degrees of managerial autonomy, have expanded in many continental and Scandinavian European countries in which they were already used before (Kuhlman and Bouckaert, 2016; Van Genugten, Van Thiel and Voorn, 2020), as well as in countries where they hardly existed before, such as the United Kingdom (Andrews et al, 2020).

Within the dilemma of public versus private ownership, remunicipalization has emerged as the most radical alternative to privatisation. The recovery of in-house delivery of public services delivery has long been observed in the US -labelled as reverse privatization, or in-sourcing- (Hefetz and Warner, 2004, 2012) due to pragmatic reasons (Warner and Aldag, 2021). After the Great Recession of 2009 remunicipalization has greatly expanded in Europe (Albalate, Bel and Reeves, 2022). While existing literature tends to find pragmatical motivations -linked to disappointment with outcomes from privatization- more relevant for remunicipalization (Clifton et al, 2021; Voorn, Van Genugten and Van Thiel, 2021), political motivations can also have played a role in remunicipalization (Lu and Hung, 2023), other aspects of remunicipalization are still poorly researched, such as its outcomes. And also, interestingly for our purpose, and as emphasized by

Cumbers and Paul (2022), whether remunicipalization involves expanding of democratic and community control over service delivery have become stronger [(similar to calls for stronger democratic accountability in Chistensen and Lægreid (2022, p. 43)], or it involves strengthening institutional control over service delivery by means of public corporations operating under commercial law.

3.4. Increasing hybridization in local government reform

In general, the expansion of the alternative reforms of local public services in the last two decades, both on provision and on production, have diminished the strength of privatization reform. However, this did not automatically imply a return to TPA approach to service delivery. In fact, NPM's suggestions and proposals to adopt management practices closer to the usual ones in the private sector, placing greater emphasis on the separation of the political and the managerial spheres, and on the efficiency in service delivery, have continued to be influential.

Within the realm of provision, disappointment with mergers did not mean giving up on the pursuit of more efficient outcomes by addressing the problems of economies of scale (and externalities). Inter-municipal cooperation has expanded, reflecting the influence of the NPG in recent reforms. However, this did not mean that NPM's management tools have been abandoned. Often, especially in southern European countries, cooperative organizations contract service delivery to private companies, usually through market tenders, thus maintaining the management mechanisms emphasized by NPM. What is more, coordination mechanisms centrally defined can be adopted by national and sub-national governments to induce municipalities to cooperate.

The emergence of public corporations provides another relevant example of hybridization. They have been used as an alternative to avoid privatisation of in-house delivered services, whether provision is responsibility of single municipalities or cooperative organizations. Public corporations, while still under government control, combine mechanisms of NPM, NWS and NPG. On the one hand, emphasis is given to performance indicators, managerial autonomy and reduced governmental control, as suggested by NPM. On the other hand, transparency clauses are emphasized, with also mechanisms of hierarchical monitoring and control. Moreover, corporations can serve as a tool for public-public partnerships (multi-governmental ownership) and public-private partnerships (public-private joint ventures), characteristic of NPG.

Even in the case of the clearest case of NWS reform, that of bringing previously privatised services back under government control, NPG mechanisms are used. For example, re-municipalization often does not result in a return to in-house provision, but instead uses corporations for service delivery, with the aim of achieving better performance management through reduced political control and greater autonomy and flexibility of management.

In all, privatisation as the main -and almost exclusive- reform to implement the NPM suggestions has transitioned towards a hybridization of delivery options, and an emphasis on the implementation of many NPM principles regardless of the type of management ownership, either public or private.

Next we present the research design used to test the hypothesis of the hybridization of NPM and post-NPM values, and the relative analytical dimensions elaborated and used to investigate the alternative types of reforms adopted in Italy and Spain.

4. Methodology

This article focuses on small-N, qualitative case-oriented comparison and adopts a most-similar system design aimed to compare similar national contexts where post-NPM reforms had been launched in recent decades.

Although aware that the use of this research strategy can only provide tentative generalizations about the empirical observations considered in the analysis, the use of this research strategy appears to be highly relevant for the purpose of this article, because of its ability to provide an in-depth comparison of analytical propositions with many data points (della Porta and Keating 2008). In fact, the adoption of a logic of comparison in qualitative studies (Mahoney and Goertz 2006; Casula et al. 2021) has the merit of being able to go further «descriptive statistical measures, towards an in-depth understanding of historical processes and individual motivations» (della Porta 2008, 202). In addition, the use of a case-oriented strategy dealing with a small number of cases has the merits facilitating “an extensive dialogue between the researcher’s ideas and the data in an examination of each case as a complex set of relationships, which allows causal complexity to be addressed’ (della Porta 2008, 207). Therefore, while being predominantly narrative in scope, case studies and small-N comparisons are widely used in studies that take an institutional approach due to their detailed analyses of processes (Rueschemeyer 2003) able to contribute to both theory-building and theory-testing (Blatter and Haverland 2012).

Regarding the choice of analysis units, determining the use of a most-similar design is the need to work with similar systems, and then provide a cross-national comparation in countries sharing similar historical traditions, cultural traits, and belonging a common geographical area.

This facilitates the application of the *ceteris paribus* rule, to later reduce the number and weight of possible “disturbing” variables and parametrize them (Lijphart 1975). The hybridization hypothesis of the post-NPM approaches to service-delivery reforms is here tested in two Southern European Countries (Italy and Spain) that share a similar Civil Law legal origin (La Porta, Lopez-de-Silanes and Shleifer, 2008) and Napoleonic administrative tradition (Painter and Peters, 2010). Their administrative legacies and state traditions show a traditional Weberian-type bureaucracy that over the years had shown traits of innovation in public service delivery, especially at the local level. Therefore, in terms of their institutional environment and the relative legal framework for service delivery, Italy and Spain have traditionally assigned a key role to municipalities in the provision of most local services, net of similar patterns of intergovernmental relations between the central government and sub-national authorities.

The analytical strategy used to explore how the reorganization of the service-delivery ‘machine’ is resulting in a hybridization of NPM and post-NPM principles is based on a reconstruction of how both privatization and further reforms in service provision and service production developed in Italy and in Spain in recent decades. Empirically, this information has been elaborated from original qualitative and quantitative data collected over the last decade by the authors and triangulated between them to verify as far as possible the validity of this qualitative study (Ruffa and Evangelista 2021). Table 2 presents the main sources used in the analysis.

(Insert table 2)

The official databases that include systematic information on the provision and production of local public services in Spain offer little support for analysing governance dynamics.

Because of this, university teams from many Spanish regions have carried out surveys to obtain this information at different points in time, which are useful for our research. The available evidence is particularly extensive for Catalonia, because many similar surveys have been carried out overtime. We use data from this region as a reference for the analysis of the dynamics of privatization and cooperation; while they may not be fully representative of the weights of the forms of provision and production throughout Spain, they are representative of its overtime dynamics, as shown with the data available for other regions. For the analysis of the dynamics of corporatization and remunicipalization data from the entire country are taken as the reference base.

Based on the triangulation done with these sources and academic literature, from an analytical point of view, the final output has been the reconstruction of a policy narrative (Fisher and Forester, 1993; Mahoney, 1999) intended to describe how privatization, reforms in service provision, and reforms in service production have developed in Italy and in Spain following the different principles of NPM, NPG and neo-Weberian state. These narratives of the policy events are presented in the next Sections, where we follow Christensen and Fan (2016) advise to consider a country's reform history into consideration to understand the nature if its reforms.

Although we believe that the research design described in this section is appropriate to follow their advice, we are aware that caution is needed when identifying potential causal mechanisms. Indeed, the methodology used for this paper, both in terms of methods and data, focuses on a small N comparison based on the logic of qualitative comparison. While this methodology has the merit of showing an overview of public administration reform trends, it is

not possible to generalize its results beyond the observed cases, being the place only for studies of descriptive cases at the macro level.

5. Local Government Reforms in Italy

5.1. Institutional and legal context.

Italian municipalities have played a central role in local service delivery since the early twentieth century. Although from the 1970s an increase of responsibilities to the regions is observed, a complex, but incoherent, “puzzle” for local service delivery is emerging in Italy (Dente 1997). In fact, during that decade, while central government strongly recentralized several powers in public utilities, municipalities increased their autonomy for service management and delivery (Bobbio, 2005). This happened within a general, historical issue relating to Italian municipalities, which is their excessive fragmentation. The number of Italian municipalities has stood at around 8,000 for decades, with the idea that they are expected to deliver most local services independently of their size and geographical position (see Table 3, below). A similar fragmentation has created situations where the definition of responsibilities among all the sub-national levels involved in service delivery has not always been clear, with an inevitable lack of integration between these institutional actors.

5.2. Privatization.

In the early 1990s, Italy had a large wave of privatizations at the national level that paved the way for a parallel wave of privatization and liberalization at the local level. These reform processes introduced NPM concepts such as decentralization and contracting out. They were the result of a combination of endogenous and exogenous factors, such as the ‘Tangentopoli’ corruption

scandals and the pressure coming from the European Union institutions to increase liberalization processes within the Member States. This privatization wave was characterized by single acts related to several policy sectors, such as water (1994), waste (1997), transport (1997), electricity (1999), and gas (2000), aimed at improving efficiency in service delivery. Instead, this privatisation process was less pronounced for social and welfare services. The actual result was that privatization only happened to a limited extent in Italy, and where it did happen it resulted more from the will of sub-national governments rather than of a coherent national policy.

As a result of this poor implementation of the NPM agenda in terms of privatization and liberalization, compulsory competitive tendering was introduced -although weakened by the frequent use of exceptions and loopholes-. Furthermore, negotiations of conditions for in-house delivery of services were introduced (Citroni et al, 2016). The de-structuring of the NPM agenda intensified through the last decade, in a context in which the national government reduced the incentives for liberalization; and with a referendum in 2011 that abolished the prevision of the compulsory competitive tendering, and the fixed profit system for investors in water concessions. As a result, recent data on privatization in Italy – although limited in scope and quality - show limited privatization at the local level in the different policy sectors; somehow higher in the case of waste and water services (around 15%), lower in transportation (around 10%), and -especially- in social and health services (around 5%).

5.3. Reforms in service provision.

Reforms in service provision in Italy must be analysed starting from historical excessive fragmentation that characterizes Italian municipalities. The defragmentation policy entered the national policy agenda within the context of the Great Recession, and it had an important

consequence as concern both amalgamation and inter-municipal cooperation (IMC). National policy makers deployed a strategy of targeted intervention with a clearly coercive approach (Bolgherini, Casula and Marotta, 2018a): defragmentation policy began to be applied more convincingly than in the past, especially with the introduction of economic incentives for municipal mergers amalgamation and IMC, and also forced cooperation for small municipalities.

Regarding IMC, while cooperation for municipalities above 5,000 inhabitants continued to be voluntary, according to the decree-law 78/2010, Italian municipalities below this population must co-manage their basic functions by choosing between two different organizational tools: (1) municipal conventions –mere agreements between two or more municipalities for the delivery of one or few services-; or (2) Municipal Unions (MUs) –more structured agreements between two or more municipalities for the co-management of two or more municipal services through the creation of a local authority with its own political and technical bodies.

The policy idea underlining this post-NPM reform in Italy has continued to safeguard the autonomy of Italian municipalities in choosing how and with whom to cooperate, thus preferring a voluntary approach to cooperation. The smallest municipalities –approximately the 70% of the total– are in fact free to create different inter-municipal agreements, albeit not being able to participate in more than one MU (Bolgherini, Casula and Marotta, 2018b). As a result of this defragmentation policy, the MU has become the primary IMC form, with 560 MUs existing in Italy by the end of 2022,² which result from the massive use of policy tools directed towards the attribution of financial incentives to MUs (Casula 2016). In fact, the Delrio Law (Law No. 56/2014)

² Cfr. https://dait.interno.gov.it/territorio-e-autonomie-locali/sut/elenco_unioni_comuni_comp.php

clearly identified the MU as the main organizational tool to pursue efficiency in municipal services provision. Consequently, the regions began to promote the creation and consolidation of MUs through specific incentives (Casula 2020).

Amalgamation processes were also encouraged within the defragmentation policy launched in Italy. The above mentioned Delrio Law introduced a ten-year funding scheme in the event of a merger between two or more municipalities. A measure aimed to simplify the complex organizational process of amalgamation was also introduced. A municipality can in fact now incorporate all the political and technical bodies of one or more municipalities adjacent to it through a process of “amalgamation through incorporation”. As a result of these processes, amalgamations had significantly increased in Italy in the period 2012-2022, with a total of 135 processes recorded (including 17 cases of amalgamations through incorporation), as well as the suppression of 326 municipalities, and the general reduction of 204 units of the previous 8,092 municipalities that existed in Italy in 2012.

5.4 Reforms in service production.

Regarding corporatization, since the early 1990s municipalities started to transform the old “municipalizzate” into municipal companies. The most recent data available (Fondazione ANCI IFEL source³) show that there currently are 4,313 companies directly owned by municipalities in Italy (the so-called “società partecipate”). Although there has been a 20% decrease of these companies in the period 2015-2018, the current number of municipal companies is still high,

³ Cfr. <https://www.fondazioneifel.it/ifelinforma-news/item/9544-le-societa-partecipate-dai-comuni-anticipazioni-studio-ifel>.

considering the number of municipalities. Previous research, in fact, had shown that before the beginning of the Great Recession, the total number of 'società partecipate' increased from 4,992 in 2005 to 5,485 in 2007, and of these around 65% take the form of private-law companies (Citroni and Di Giulio 2014, p. 55). Nowadays, about 90% of the aforementioned 4,313 companies owned by the municipalities produce services of general interest (economic and otherwise), while the 8,6% operates in other sectors, such as industrial sector, trade and warehousing, postal services, rentals, the cultural sector, etc.

These companies are concentrated mainly in the Northern Italian regions (58.4%) where there are also numerous indirect holdings, testifying to a more complex and specialized structure. The Northern regions are the ones where municipalities are more numerous (56% of the total in Italy). As concern their economic and financial situation, these recent data available show that the 75% of them records a profit for the year, for a "consolidated" result of over 2.5 billion euros, against 1.1 billion euros of losses of the remaining 25% (with a positive balance of 1.4 billion euros). In general, the companies owned by the municipalities operating in network services (gas, water, energy, and waste), excluding local public transport, have a total profit (1.275 billion euro). Even companies operating in local public transport, excluding the four main metropolitan areas (Naples, Rome, Turin, and Milan), present an overall positive operating result. For the transport companies of these four major cities, however, the available data show that only in Milan was a positive operating result recorded.⁴

⁴ Note that central legislation in both Italy and Spain obliges municipal governments not to incur deficits. Hence, municipal companies are under pressure to apply full cost recovery; in many cases, even to run

In addition to these companies in which municipalities own shares, there are also more than 90,000 local public holdings, where municipalities are shareholders or members of agencies or companies (the so-called “organismi partecipati”). In this case, a decrease of around 27% units in the period 2015-2018 can be registered too.

Regarding re-municipalization, data from the Public Futures dataset of the University of Glasgow show a very small number of re-municipalization processes in Italy (especially when compared with the other European countries). Only six processes have been concluded so far: four in water, one in housing, and one in food.

(Insert table 3)

6. Local Government Reforms in Spain

6.1. Institutional and legal context.

The territorial organization of Spain is based on three levels -central, regional, and local governments. The central legislator is responsible for the basic regulation of the provision of public services, and delivery is highly decentralized. Regions are responsible for the provision of key services in the welfare state. Local governments are responsible for the provision of many technical and personal services. The basic powers of local governments were set out in the Law 7/1985, of 2 April (LBRL), which establishes the principle of autonomy of local governments, although the regions have some regulatory and policy monitoring powers over local policies.

operational superavits with which to fund other municipal services for which operational deficits are theoretically sound (such as metropolitan transportation). Therefore, positive financial performance is only a limited indicator of the vitality of companies.

The LBRL established different subsets of public services that must be provided compulsorily by municipalities, depending on their population (see Bel et al., 2022). Other services may be provided voluntarily by local governments. Both regarding the mandatory and the voluntary services that they provide, municipalities are free to decide the type of provision (whether autonomous or cooperative) and the type of production (whether in-house or external; whether public or private). In all cases, local governments must observe general guidelines on administrative and commercial practices, based on central regulations and regional supervision.

6.2. Privatization.

There are no official sources for data on private delivery of local public services in Spain. However, several sources -usually obtained via surveys for studies- can be used to document the extent of privatization of local services in the last decades. Based on studies published from these surveys, we can verify that in Catalonia private delivery of waste services was used in 15% of municipalities above 1000 inhabitants by 1970. That percentage intensely grew in the subsequent decades, and by 2000, 82% of municipalities had private delivery; that is to say, about 2/3 of the municipalities privatized the waste service in the last decades of the 20th Century (Bel, 2002; 2006).

The shares of private and public delivery have remained very stable since then; In 2006, the percentage of municipalities with private delivery was 81% (Bel and Fageda, 2011); in 2019, private delivery was used in 79% of municipalities (Bel and Elston, 2023). Regarding urban water distribution, Miralles (2009) reports that 22.0% of Catalan municipalities above 1000 inhabitants had private water delivery at the beginning of 1980, and the private share had increased up to 58.3% at the end of 2002. According to 2019 data provided by the Catalan Competition Authority (ACCO, 2022), around 55% of the municipalities with more than 1,000 inhabitants had private

urban water management. As in waste collection, the share of private management in water delivery has had a slight decrease in the last years.

Data available for other regions and for Spain (less abundant) suggest that the share of private management in Catalonia is higher than other regions of Spain (Bel, 2006; Bel and Mur, 2009; Bel and Fageda, 2010); however, dynamics of the 21st century appear to be very similar. For example, in Aragon, the private management of waste collection decreased from 64.5% municipalities in 2003 to 63.2% in 2008 (Mur, 2008; Bel, Fageda and Mur, 2013). In Spain as a whole, private management of waste collection in municipalities with more 2,000 inhabitants had a share of 56% in 2003 (Bel, 2006; Bel and Fageda, 2008), and had been slightly reduced until 55% in 2010 (Plata-Díaz et al, 2014).

6.3. Reforms in service provision.

Amalgamation of municipalities as a policy did not exist in Spain. Even if a few voluntary mergers occurred, the number of municipalities has in fact increased. In 1981 there were 8022 municipalities; in 2001, they were 8,108 (Goerlich Gisbert et al, 2015). And in 2021 had further increased until 8,131 (Spanish Institute of Statistics, INE).

As the average municipal population in Spain is comparatively small (5,821 inhabitants in 2021; median just over 500), the expansion of Inter-municipal cooperation has been the policy response to a suboptimal scale in several local public services. As with the type of management of local public services, in Spain there are not detailed data on the extent of intermunicipal cooperation. Although the Registry of Local Entities (Ministry of Finance) gives information about the number of cooperative entities, that registry does not have a long historical record; it is only available since 2014. More importantly, no data are provided on the number of municipalities

that cooperate for service provision. As in the case of privatization, however, different surveys conducted by university teams provide information on the dynamics of intermunicipal cooperation. Plata-Diaz et al (2014) shows that IMC in solid waste management slightly increased in Spain from little below 45% of municipalities in 2002 to little above that percentage in 2010. In Aragon, IMC in solid waste collection went from 82% of municipalities in 2003 to 88% in 2008. In Catalonia, 37% of municipalities over 1000 residents provided waste collection cooperatively in 2000, and the percentage increased up to 46% in 2019. Again, changes from stand-alone provision to cooperative provision often involved a shift from in-house production to corporations.

6.4. Reforms in service production.

While the government-controlled delivery of local public services was strongly dominated by in-house production in the last decades of the 20th century, from the beginning of the 21st century a strong trend developed from operating under administrative law to operating under commercial law developed. The number of local public firms (commercial companies) in Spain went from 467 public companies in 1998 to 1,233 in 2008 (Mur, 2011). Corporatisation continued to grow in the following years, reaching a maximum of 1,646 of local public companies in July 2013. However, this trend was interrupted after the Law 27/2013, for rationalization and sustainability of the Local Administration (LRSAL) was passed, introducing constraints on the creation of local public firms. Since then, the number of local public companies decreased slightly: their number was 1,423 by early 2020 (Bel et al, 2022).

The most recent wave of reform in local public services in Spain has been remunicipalization. Bringing back services under public production has been particularly relevant in the water sector, with almost 36 cases affecting more than 50 municipalities since 2010. While

around half a hundred municipalities is a small number for a country like Spain, it is worth noting that water concessions tend to be awarded for very long periods. Therefore, changing the form of production is a rare event, which only a small percentage of municipalities face each year. For this reason, relating the remunicipalization figures to those of the new privatization (municipalities that went from public to private production) can offer a more interesting view. The database of changes in the form of production built by the universities of Granada, València and Barcelona (Albalate et al, 2022) show that new privatizations were many more than remunicipalizations between 2000 and 2104, but in the last years the balance in favour of new privatizations is much more nuanced; in fact, in 2017 the difference is nil, and in 2020 there were more remunicipalizations than new privatisations.

In several cases, public corporations have been created to deliver the service after remunicipalization. Other services in which remunicipalization has been relevant is waste collection. In the specific case of Catalonia, between 2000 and 2019, while 7% of the municipalities with more than 1,000 inhabitants privatized waste collection, 10% of municipalities remunicipalized the service (survey by University of Barcelona and University of Oxford). Of the latter, 16% went to direct (in-house) delivery after remunicipalization, and 84% now have the service delivered by a corporation operating under commercial law (either fully public, or mixed public-private with majority of public ownership).

7. Discussion and Conclusions

This article has contributed to the international debate on hybridity in public governance by analyzing how NPM and post-NPM value co-exist in the field of public service delivery. Although

it is now well established that it is in a "hybrid"/"layering" state, little has been known about how this coexistence occurs, especially in this area of public administration.

Public services reforms were undertaken in the last quarter of the 20th century following the approaches promoted by theoretical streams in different fields. Within public administration, the NPM led the drive for a more efficiency-oriented approach. Privatization of public services (most often through outsourcing) was promoted as an almost unique alternative form reform, in a kind of 'privatize or do nothing' approach. Although (and probably because of) expectations on the NPM inspired reforms were very high, privatization lost steam in the early 2000s, as systematic cost savings with privatization were hard to find, and discussion on its unexpected or unintended effects gained ground.

This turn of events brought about insights about a recovery of more hierarchical mechanisms of coordination and emphasis on horizontal integration of public and private actors. And, most importantly for our discussion, preserving a key legacy of New Public Management: the emphasis on more efficient delivery. This legacy, while retained, has been also adequately corrected. Public services are generally characterized by pseudo-markets traits (Boyne, 1998; Lowery, 1998). Because of its roots in Neoclassical Economics and Public Choice, New Public Management proponents neglected these pseudo-market characteristics, which cause incentives both for government and private actors to encourage behaviors that are different from the way in which they work under a competitive market mechanism. This translates into the fact that financial performance is not a direct translator of efficiency in the public service arena, because other crucial aspects such as -for instance- quality and accessibility are not easy to monetize in a delivery contract.

In this article we confirm that a hybridization can make multiple paradigms co-exist, and our comparison between local public services reforms in Italy and Spain has provided original insights on how NPM and post-NPM values, concepts and practices are used to build modern "hybrid" states when service delivery machine must be (re)organized. This original contribution also has some potential implications for both research and practice. The most relevant one is to have shown how a shopping-basked approach has replaced in the last two decades the univocal emphasis on privatization that was characteristic of the last two decades of the last century. While different types of governance solutions have been tried in recent decades, increasing efficiency in public services delivery has been retained as most frequent driver of these reforms (legacy of NPM), while the comprehension on what 'efficiency' means in public service delivery has gone beyond the strict financial performance, thus overcoming the too simplistic approach of NPM to the pseudo-market characteristics of public services.

Both Italy and Spain experienced an increase in privatization in the last two decades of the 20th century, and in both cases, privatization lost strength in the early 2000s. Because private delivery was much more relevant in Spain than in Italy prior to the privatization wave, share of private delivery is much higher in Spain today. But in neither of the two cases a significant reversal of privatization has been noticed. The extremely small experience with remunicipalization of services in Italy is a clear indication of this. In the case of Spain, although remunicipalization has been much more important than in Italy, data available does not show it being more frequent than new privatization.

Reforms in local service provision in the last decades have emphasized the objective of increasing efficiency by means of improving the scale of operations. In the case of Italy, because

of a tradition of stronger central role in service provision, amalgamations have had some relevance (although to a much lesser extent than in Northern European countries) following incentives provided by the central institutions. In Spain, on the contrary, they have been residual, in keeping with the strong autonomy that local governments have enjoyed in Spain (even after the regions gained extensive administrative powers following the approval of the 1978 Constitution).

In Spain, inter-municipal cooperation -IMC- has been the preferred strategy for increasing the scale of operations, and IMC has further expanded in the last two decades, without significant need of central (or regional) regulations to promote it. Voluntariness has been retained as a key feature of cooperation. In the case of Italy, central regulation has mandated the use of IMC to municipalities with fewer than 5,000 inhabitants, while allowing some latitude as to what type of cooperative arrangement use to that purpose (either with municipal agreements, or with municipal unions). Furthermore, it is important to note that the expansion of inter-municipal cooperation in Italy and Spain is not associated with an increase of public delivery of services, because the legal origins an administrative tradition in Southern European countries make cooperative provision and private production more compatible than they happen to be in northern Europe. The main effect of IMC expansion on the mode of production has been the shift from in-house (bureaucratic) production to production with public corporations (in the case of Spain, often of mixed public-private organizational character).

In fact, the expansion of corporatization (within public production) has been one of the types of reforms undertaken in the last decades. The strong expansion of corporatization, which began somewhat earlier in Italy -1990s- than in Spain -2000s- usually meant transferring the

publicly managed delivery from an administrative law framework (bureaucratic-type) to a commercial law framework. Once again, the main objective of this change has been to introduce more flexibility and private-type of government-controlled delivery management. The fact that corporatization has been also used to centrifuge public debt by local governments has caused - particularly in Spain- increased constraints established by central legislation on the creation of public corporations, thus affecting their expansion in the last decade. Nonetheless, its importance remains high in historical perspective. Indeed, in many cases of remunicipalization of public services in Spain, the management is not carried out again with in-house bureaucratic delivery but is managed with a newly created public corporation. It is, precisely, the frequent use of public corporation for remunicipalized services what makes Cumbers and Paul (2022) wonder if remunicipalization is a break with privatization through more democratic management, or simply an adjustment of the 'neoliberal' approach in the public services management.

Our research is not without limitations. Most important, perhaps, is the lack of systematic nationwide data on patterns of provision and production, both overtime and across services. Also, we are aware that it is not possible to generalize starting from our comparative analysis. That said, we believe that our qualitative analyses of the Italian and Spanish reform trajectories show that policymakers are increasingly induced to adopt a shopping-basket approach, leading them to use different menus and ingredients that are more suitable to their domestic tastes. Hence, the main inspiring principles underlining all the reforms discussed, from both the point of view provision and of production, have been aimed at introducing NPM principles to increase efficiency in service delivery. However, as result of a not always satisfactory implementation of the NPM agenda, post-NPM principles and concepts aimed to ensure both horizontal and vertical

integration have been introduced contextually with the NPM ones. While with a different intensity based on the historical traits of the institutional context where these reforms had been introduced, on one hand, inter-organizational cooperation (between public and/or private bodies) continue to be considered as a valid way to both make service delivery less costly and more effective. On the other hand, central coordination mechanisms based on different, and heterogenous policy tools are becoming increasingly common and widespread.

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Table 1. Big models-big claims: the basics and its application for service-delivery

Model	Core claim	Most common coordination mechanism	Examples of coordination mechanisms for service-delivery
NPM	To make government more efficient and 'consumer-responsive'.	Market-type mechanisms (MTms); performance indicators, targets, competitive contracts, quasi-markets.	Privatization; corporatization; decentralization
NWS	To modernize the traditional state apparatus so that it becomes more professional, efficient, and responsive. The state remains a distinctive actor with its own rules, methods, and culture.	Authority exercised through a disciplined hierarchy of impartial and professional officials.	Vertical integration: Coordination mechanisms based on rules, methods, and tools, such as centralized regulation, hierarchical monitoring, centrally defined standards, procedures, and clauses.
NPG	To make government more effective and legitimate by including a wider range of social actors in both policymaking and implementation.	Networks of and partnerships between stakeholders. These bring different skills and resources to address complex problems.	Horizontal integration: inter-local and inter-organizational cooperation and coordination; network and partnerships

Source: Adapted from Pollitt and Bouckaert 2017 (p. 22)

Table 2. Databases and surveys sources and main characteristics

	Service	Year	Institutional Source	Type of database	Respondents
Country-wide	Global	Multi service Remunicipalization	2000-2023 Transnational Institute & U. Glasgow	Public Futures Database	NGOs & other associations
	Italy	Multi-service	1990-2023 Dep. for Internal and Territorial Affairs. Ministry of Interior*	Public registry	Local governments
	Italy	Corporations	2000-2023 Fondazione ANCI-IFEL*	Public registry	Local governments
	Italy	Water	2010-2020 Utilities*	Public registry	Local governments
	Italy	Privatisations & Corporations	2010-2022 Italian National Institute of Statistics*	Public registry	Local governments
	Italy	Privatisations & Corporations	2010-2022 Court of Accounts*	Survey	Local officials
	Spain	Corporations	Since 2002 <i>Inventory of local public sector entities.</i> Ministry of Finance	Public registry	Local governments
	Spain	Waste & Water	2003 U. Barcelona	Survey	Local officials
	Spain	Water	2000-2022 U. Granada, U. València & U. Barcelona	Official Gazettes Provinces	Surveyed by scholars
	Spain	Multi service	2014-2020 <i>Registry of local public services costs.</i> Ministry of Finance	Public registry	Local governments
Regional	Catalonia	Waste & Water	2000 U. Barcelona	Survey	Local officials
	Aragon	Waste & Water	2003 U. Zaragoza & U. Barcelona	Survey	Local officials
	Galicia	Waste	2005 U. Aut. de Madrid	Survey	Local officials
	Andalusia	Water	1984-2009 U. Granada & U. València	Official Gazettes Provinces	Surveyed by scholars
	Catalonia	Waste	2006 U. Barcelona	Survey	Local officials
	Aragon	Waste	2008 U. Zaragoza & U. Barcelona	Survey	Local officials
	Catalonia	Water	2019 ACCO	Public registry	Local governments
	Catalonia	Waste	2019 U. Barcelona & U. Oxford	Survey	Local officials

Note 1: U.= University; ACCO: Catalan Regional Competition Authority; * For Italian sources, data are available both at country-wide and at regional and local level.

Note 2: Supra-local public registries are fed by data provided by local governments. Surveys from universities were addressed to municipalities and answered by local officials. Typical response rates were between 25% (Spain, 2003, > 2000 inhabitants) and 80% (Aragon, 2008, > 1000 inhabitants)

Source: Authors.

Table 3: Institutions, governance, and main results of local reforms in Italy and Spain.

	Italy	Spain
Legal & administrative traditions	Civil Law - French Legal Origin. Napoleonic-type of Administration	Civil Law - French Legal Origin. Napoleonic-type of Administration
Institutional context	Regionalist State	Unitarian State with Administrative Decentralization at Regional level (also Financial Decentralization in the Basque Country and Navarre)
Local government structure	Two tiers generally: .1. Municipalities: basic level. Taxing power and responsibility for many public services. .2. Provinces: second degree election	Two tiers generally: .1. Municipalities: basic level. Relevant taxing power and responsibility for many public services. 2. Provinces (2nd degree election; Supporting purposes; no tax powers) In several regions other intermediate layers exist (e.g. counties in Aragon and Catalonia; island councils in Balearic and Canary Islands)
Urban structure	7,901 municipalities, of which 5,534 with less than 5,000 inhabitants. Median population is little above 2,500.	8,131 municipalities. Average population is 5,911. Median little over 500
Privatisation	While in the early 1990s Italy was characterized by a large wave of privatization, privatization processes only happened to a limited extent in Italy with limited privatization at the local level in the different policy sectors.	Privatization of local public services was historically important in Spain, and intensified in the last two decades of the 20th century, causing an expansion of private management, market mechanisms for awarding contracts, emphasis on efficiency financial, etc. The privatization wave decreased in the first decade of the 21st century, and in the last decade there is more balance in the choice between private and public.
Reforms in service provision	Amalgamation → As result of the defragmentation policy launched in Italy in the last decade, mergers had significantly increased. A total of 135 merger processes had been registered. Cooperation → Remarkable increase in inter-municipal cooperation in the last decade, as result of the massive use of policy tools by national and regional governments	Amalgamation → It has never been a policy in Spain. Only very few voluntary mergers have taken place in the last two decades, and the total number of municipalities has increased. Cooperation → Remarkable increase in inter-municipal cooperation in the last two decades. Cooperation can use both public and private production.
Reforms in service production	Corporatization → Very high number of municipal companies considering the total number of Italian municipalities, even if mainly concentrated in Northern regions. Local public holdings are also common. Re-municipalization → Very few cases (6)	Corporatization → Increase in corporatization in the first decade of the current century. Municipalities that want to use private-type management mechanisms without going private create "public companies" or "public agencies" (different degree of autonomy and subjection to the law: administrative for agencies; commercial for companies). TPA adopts NPM features without ownership change. Remunicipalization → Relatively intense in Spain in the last decade. Bringing back service delivery under government responsibility is often done by means of a corporation (rather than traditional in-house).

Source: Authors.

