

Italian Regions as ‘Policy Laboratories’

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Abstract

American scholars have long argued on conditions of ‘laboratory of democracy’. The scholars’ focus is justified by the theoretical posit that a federal system encourages policy experimentation among the states. Lower level authorities are expected to implement creative strategies, providing administrative efficient models. Accordingly, there is a clear link between federalism and policy learning.

Reviewing literature on federalism, administrative decentralisation, and policy diffusion, this paper aims to assess whether the recent regional devolution of legislative power as well as administrative decentralisation could trigger policy learning and diffusion. Identifying literature gaps, the paper proposes a further research agenda.

Keywords: Federalism, decentralisation, policy laboratories, policy innovation

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It is one of the happy incidents of the federal system, that a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.

(Brandeis, 1932)

1 Introduction

Over the last twenty years, regional devolution has been the major constitutional reform in Italy. Since the mid-1990s, Italian legislators have embarked on a complex process of decentralisation (Keating and Wilson, 2010), changing the attribution of powers from the national political centre to local authorities. This process of constitutional and ordinary reforms has been accompanied by the enhancement of the leadership capacity of city mayors and regional presidents vis-à-vis their legislatures (Keating and Wilson, 2010, 1). Further, in a recent survey of Italian citizens, ‘federalism’ and ‘regions’ are considered as positive, relevant, and strategic terms (Diamanti, 2010). Thus, it is not surprisingly that politicians have recently amended their parlance. The political agenda of the incumbent Berlusconi’s government is driven by the request of ‘fiscal federalism’.¹

The efforts of successive Italian governments to decentralisation has been evidenced by Marks, Hooghe, and Schakel (2008). Their index of Regional Authority Index propounds Italy as a country with the highest decentralisation of public policies.² Different reform waves have achieved such results. The enhancement of political leadership and legitimation of mayors and regional presidents has been accompanied by ordinary and constitutional reforms. The former occurred in the late 1990s. The Bassanini laws provided the devolution of powers and responsibilities to the regions (Keating

¹It is, however, unclear whether such a term refer to true instances of federalism or the central government’s standardisation of expenditure costs to increase the responsibility of regional presidents and managers of social policy choices, especially for the (regional) health services. (Keating and Wilson, 2010, 14). Specifically, ‘transfers from the central governments, at present largely based on historic expenditures, would be replaced by a fund for disadvantaged regions calculated on standardized costs, privileging more efficient and responsible governments, while penalizing wasteful and inefficient ones.’ (Keating and Wilson, 2010, 14).

²Thirteen countries have high levels of decentralisation. ‘These are the federal countries in the dataset plus Italy, Spain and the Netherlands.’ (Marks, Hooghe and Schakel, 2008, 171)

and Wilson, 2010, 6–7). Transferring personnel and financial resources, this administrative reform enhanced the regions’ administrative capacity in order to manage the extended competences on a set of policies, such as transport and employment and to fulfil the design, allocation, and provision of several public services. Additionally, the Bindi reforms (1999–2000) completed the transfer of the health service.

‘Linked to the Bindi reforms was a new system of regional finance in 2000, with the assignment of certain tax revenues to the regions, including the proceeds of a new business tax (IRAP). Although some distorted use by some politicians of the term of ‘administrative federalism’, such reforms did not constitute a federal system of fiscal or administrative federalism because regions continued to rely on central transfers and national fiscal system (Keating and Wilson, 2010, 7).

The constitutional reform has been achieved in 2001 through the Constitutional Law n. 3, 18 October 2001, which enshrined the subsidiarity as a constitutional principle and emphasised differentiation and adequacy among local authorities. (Poto, 2007, 861–2). In particular, the reformed Article 117 of the Constitution regards local institutions as the centres ‘nearest to the citizens’. This article, however, lists a set of policies in which the competence is exclusively reserved to the central government (Poto, 2007, 863). ‘Transversal standards’—which define shared competences between State and Regions, but where the State maintains the power to set out the framework of fundamental principles (so-called concurrent subjects)—are also set (Poto, 2007, 863). Finally, the remaining policies are within the competence of the regions.

The most recent wave of reform came after the failure of the further constitutional and federalist reform approved through a Parliamentary majority in 2003, but not approved by a confirmatory referendum. Indeed, in 2009 the actual Berlusconi’s government has been successful in enacting a framework legislation on ‘fiscal federalism’ which, however, ‘has little to do with federalism’ (Keating and Wilson, 2010, 12). It is an initiative to standardise the expenditure of social policies across regions, giving a limited possibility to raise new taxes, in order to reduce the state’s fiscal burden and seek in the same time to make local authorities responsible for their expenditures.

‘Fiscal federalism’, however, has been also weakened by other Berlusconi government’s measures such as the abolishment of estate tax (ICI) for most household as well as IRAP (Keating and Wilson, 2010, 13).

Overall, successive governments’ initiatives have been successful in achieving decentralisation and initial instances of federalism. Furthermore, the political agenda of several political parties is now focused on federalism. In particular, since its formation, occurred in 1989, the Lega Nord has exercised a constant pressure toward parliamentary and governmental institutions, in order to break the stalemate which characterised regional politics and decentralisation during the 1970s and 1980s (Keating and Wilson, 2010). Furthermore, ‘[f]ederalist language has become the common currency of Italian politics’ (Keating and Wilson, 2010, 15). And federalism is regarded by citizens as a strategic value. Nevertheless, as Keating and Wilson (2010, 15) pointed out, Italian politics has so far failed to define what federalism is and its aims.

In the attempt to clarify the concept and rationales of federalism, the aim of this paper is to present theoretical arguments for federalism and regional decentralisation by focusing on ‘policy experimentation’ in which regions develop the function of ‘policy laboratories’. Indeed, although ‘good governance’ is one of the main arguments for federalism and/or regional decentralisation, the aspects of whether and under which conditions administrative innovations can produce ‘positive externalities’ for other regions have been overlooked by the emerging European literature of federalism and regionalism.

The remainder of this paper is structured as follows. The next Section distinguishes the concept of federalism from administrative decentralisation. Section 3 summaries the main rationales—identified by the American literature—for and against federalism from the standpoint of ‘laboratories of democracy’. In order to strengthen our understanding of regions’ innovativeness, Section 4 summarises further empirical insights stemming from the literature on policy diffusion. Section 5 proposes a useful framework for assessing the Italian initiatives for regional decentralisation. Section 6 concludes, by proposing further researches.

2 Distinguishing federalism from decentralisation

By distinguishing federalism from the concept of administrative decentralisation, Rubin and Feeley (1993–1994) have provided a useful starting point to the discussion of devolution. Administrative decentralisation is essentially a managerial concept and decision by a centralised authority in order to achieve effective management. In other words, ‘[d]ecentralization represents a deliberate policy that the leaders select, or at least approve, based on their view of the best way to achieve their goals.’ (1993–1994, 910)

On the other hand, in a federalism system

‘the subordinate units possess prescribed areas of jurisdiction that cannot be invaded by the central authority, and leaders of the subordinate units draw their power from sources independent of that central authority. Federalism is not a managerial decision by the central decision-maker, as decentralization can be, but a structuring principle for the system as a whole.’ (Rubin and Feeley, 1993–1994, 911)

From a practical point of view, a federal system allows normative disagreements among the subordinate units. In contrast to instrumental disagreements, which can be resolved within a unitary system due to the agreement on the common policy goal to reach, normative disagreements are the fundamental concept of federalism and its related lower levels of government’s rights of autonomy (Rubin and Feeley, 1993–1994, 912–3). All in all, the recognition of federalist principles and local authorities’ rights transcends the pragmatic choices to select strategies for achieving non-contested collective goals. In this case, administrative decentralisation accomplishes and fulfils the conditions for good governance, and federalism is *not* necessary as a structuring principle, since ‘many standard arguments advanced for federalism are clearly nothing more than policy arguments for decentralization’ (Rubin and Feeley, 1993–1994, 913–4).

Beyond the distinction between the concept of federalism and decentralisation, it is however commonly argued that reforms enabling citizens and policy makers to utilise and share their knowledge to fit solutions leads to ‘democratic experimentalism’ and mutual learning (Dorf and Sabel, 1998; Mossberger, 1999; Volden, 2006). Specifically,

‘the intuitive appeal of applying the pragmatist disciplines to democracy derives from these disciplines’ potential to create a form of collective problem solving suited to the local diversity and volatility of problems that confound modern democracies, while maintaining the accountability of public officials and government essential to the very idea of constitutional order.’ (Dorf and Sabel, 1998, 314)

Pragmatic approaches of good government require not only new policies and regulations to be adapted to local conditions, but also the integration and comprehensiveness public services (Dorf and Sabel, 1998, 315). As a result, given the condition of local authorities as public services providers, effective policy outcome can only be achieved by sub-level decisional units and local governments, which, although may face diverse problems, are not unique. Thus, if there are similarities in the problems to be solved, sharing experience and mutual learning—which allow each jurisdiction to assess its proposal in the light of alternatives articulated by the others—may be expected (Dorf and Sabel, 1998, 315–6).

Granted a large numbers of local policy-makers with different ideas and ideologies that allows the ‘investigation’ on different methodologies and policy options, federalism (and decentralisation) provides an opportunity of policy experimentation. ‘[V]ariations may ultimately provide information about a number of governmental programs and enable us to choose the best one.’ (Rubin and Feeley, 1993–1994, 923) In other words, decentralising to local government has the advantage that several different policies can be considered simultaneously (Strumpf, 2002).

Accordingly, the question is whether and the extent of information sharing and learning occur among governmental subunits. The next Section focuses on the major incentives for local policy-makers of innovating their public policies.

3 Laboratories of democracy: A review of the American literature

In the US, the question of centralised versus decentralised government is widespread within economists, political scientists, and jurists. Among the

rationales of a decentralised government,³ the legal doctrine of ‘policy laboratories’ has gained an uncontroversial support of federalism, also through a series of sentences. Specifically, administrative efficiency is linked to the idea ‘that an array of local governments is more innovative than a single monolithic central authority’ (Galle and Leahy, 2009, 1337). Eventually, federalism promotes policy innovation and good governance.

American political scientists and economists, however, enable us to appreciate also the problems with such a theoretical argument. Indeed, since 1980, Rose-Ackerman argued that if innovation is costly, each state or local government may prefer to free ride other states’ experiments and wait the policy responses, in order to ‘copy’ the most successful ones (Rose-Ackerman, 1980). This is a classic collective action dilemma. Furthermore, incumbent policy-makers have little incentive to engage in risky new policies which may have enormous political costs (Rose-Ackerman, 1980, 605). This Section summaries these two contrasting theories of ‘policy laboratories’, whereas the next Section feeds into the discussion the empirical evidence provided by the literature on policy diffusion.

3.1 Policy experimentation and policy laboratories: Arguments in favour of government decentralisation

The quotation at the beginning of this paper summarises the arguments of policy experimentation. Justice Louise D. Brandeis’s metaphor conveys pragmatism and connotes also popular sentiments in favour of localism and decentralisation (Greve, 2001, 1). This has justified federalism and decentralisation in the US, especially in relation to the devolution of the welfare system. Furthermore, and more importantly, there is a theoretical appeal for the federalist option. ‘A state-based process facilitates gradualism and, therefore, feedback and institutional learning.’ (Greve, 2001, 1) Local policy innovation process facilitates also the policy adaptation to local needs,

³There are essentially four other arguments for federalism. First, federalism has been considered as a system solution to break the nexus between local politicians to central financial resources, terminating the political clientelism (Keating and Wilson, 2010, 5). Second, federalism allow citizens to choose those states closer to their preferences. Third, granted the capacity of citizens to move, state compete in order to attract citizens and firms, enhancing economic efficiency. Fourth, by locating decision-making at the regional or local level and closer to citizens, federalism enhances democracy through ‘a more participative and responsive form of policy-making and administration’ (Keating and Wilson, 2010, 5).

circumstances, and preferences, increasing the democracy of administrative governance (Greve, 2001, 1).

Experiments and policy innovations are a public good. Granted that information about the experiments are wisely available, a policy innovation benefits the entire nation. Knowledge is shared with other policy-makers in order to avoid policy failures. Next Subsection shows that this public good concept causes also free-ride behaviour.

A credible commitment to policy experimentation requires two preconditions. First, local governments must be limited to experiment within their own borders, otherwise laboratories will exploit outsiders for the benefits of their own constituents. Second, there is a necessity of limiting the national power, otherwise a national parliament or government—stimulated by less innovative local governments—can impose the same experiment to all states, nullifying incentives for mechanisms of institutional feedback and learning (Greve, 2001, 3). As Greve (2001, 3) put it, ‘[e]ffective experimentation and learning require institutional constraints that make the costs and benefits of political experiments hit home’.

Perhaps the most relevant incentive to innovation is innate in the policy making process: Officials must response to political issues and problems (Friedman, 1997). The more a problem is unique and unlikely to be confronted soon by any other government, the more a given government has incentive to experiment (Galle and Leahy, 2009, 1350). However, this idea must be relaxed according to the fact that governments rarely face problems that are perennial unique (Galle and Leahy, 2009, 1349). Indeed, policy transfer is recurrent and relaxes the exigency to experiment novel policies among states or local governments which are alike. Thus, geographical and cultural proximity can explain the speed and patterns of transfer, emulation, and copying of policy innovations. Furthermore, formal and information policy elites networks may facilitate activities of copying rather than of innovating. Overall, there is little evidence suggesting that policy experimentations tend to be so unique to obstruct interdependency among governments.

However, the cost, availability, and quality of information about a policy innovation are the crucial aspects here. The ‘adoption environment’ (Meir, 1982) is composed of policy leaders and change agents that may have their own interests about the quality of information to be released about

an innovation and distort the institutional feedback. Cheap information is associated with the availability of several versions of the basic and broadly available innovative idea—that once implemented—produces the desired and positive policy outcome. There is also a scenario in which the valuable information is about the process underlying the experiment and innovator’s institutional and policy context that produces positive outcome. In this case, knowledge of processes is not easily transferable. Finally, the final component is about outcome measurement, in which the different conceptions of policy success may be different from the pioneers to the laggards and diverge.

Overall, the conditions for policy experimentation are numerous and compound. In order to generate public goods, there must be an equilibrium of policy makers’ incentive to innovate and diffusion of information on innovation, experiment, and policy processes. I turn now to several scholars who have expressed their scepticism on the plausibility of reaching such an equilibrium, especially from the standpoint of politicians’ incentives.

3.2 Risk aversion and free riding: Arguments in favour of government centralisation

Rose-Ackerman’s scepticism on policy laboratories can be summarised in the following statement: ‘State and local governments can be thought of as inventors without patents: because anyone can steal their ideas, what incentive have they ever had to invent?’ (Galle and Leahy, 2009, 1335) In other words, if policy experiments and innovations are public goods and their related information are available and not costly—whereas the innovation process is costly—each government prefers to free ride the experimental efforts of the others. Furthermore, at the micro level, a safe to be re-elected incumbent government has little incentive to innovate, especially when the electorate will punish it for wasting money in unfruitful new policies. In a nutshell, compared against a monolithic system, a federal system does not promote innovation, underinvesting in those risky activities that provide spillovers to other governments (Rose-Ackerman, 1980, 605). Indeed, the reward of an innovator is relative to the other governments’ results. The better other governments are expected to perform in copying an innovation, the less benefit returns will be, and voters will penalise the initiative for wasting money on a poor innovation, and, consequently, the less incentive

there is to initiate innovative projects. Relaxing the assumption of inexpensive diffusion of information on policy innovation, policy-makers have no incentive for externalising their new policy ideas, especially if migration of citizens and firms from other states provide direct benefits. In such a competitive scenario, if the policy is proven to successful, the government has all the incentive to exploit the first-mover advantage as long as possible.

Other three economic papers have further extended Rose-Ackerman's theory. Strumpf (2002) utilises a social learning model to compare the policy innovation under condition of centralisation⁴ and decentralisation. Compared to Rose-Ackerman's model, he has introduced strategic interaction between politicians and concluded that 'decentralization induces more policy experimentation when local governments are dissimilar' (Strumpf, 2002, 210). On the other hand, '[c]entralization results in greater experimentation when the local governments are relatively homogeneous or large in number, but decentralization may have greater experimentation when there are multiple policy options available.' (Strumpf, 2002, 228)

In contrast, Cai and Treisman (2009) have come closer to Rose-Ackerman's conclusions, arguing that—compared to the social optimum—centralisation leads to produce too much experimentation, while decentralisation leads to too little. Their model relies on the electoral competition and accommodate the situation that central governments are able to differentiate their policy geographically. Accordingly, their model assumes the same type of decision-making apparatus at both levels.

Finally, Kotsogiannis and Schwager (2006) have introduced a model of policy innovation under conditions of political competition for federal office. This model emphasises that such an electorate competition shapes the incentives for experimentation, because politicians use the innovative policies to signal their ability to the federal electorate, offsetting the effect that arises from the incentive to free ride.

Overall, the economic literature leads to different conclusions according to the different assumptions and features of models. Accordingly, an assessment of different literature strands is necessary. This enterprise has been conducted by Galle and Leahy (2009) in their combined analysis of economics, legal, and political scientist articles on federal system's capacity

⁴By centralised policies it is meant the uniformity of policy choice in all regions of a (federal) state (Strumpf, 2002, 209).

to innovate. They have concluded that there are no demonstrably overwhelming replies to Rose-Ackerman's skepticism on policy laboratories: Local governments do innovate, but not in all instances and rarely at the optimal social level. Consequently, a federal intervention is necessary, in order to correct some of the dysfunctions of 'the market for state governments' (Galle and Leahy, 2009, 1339). However, this review tends to overlook empirical findings of literature of policy diffusion, toward which I now turn.

4 Insights from the literature on policy diffusion

The previous Section has shown that similarity among states, diffusion, and the lack of risk-taking reduce the incentive of local governments to innovate. In order to reduce complexity, I intend to focus exclusively on policy diffusion. It is clear from Rose-Ackerman's theory that the more an innovation easily spreads across competing local governments, the less incentives a given government have to innovate. This is an incredibly useful insight that has been so far overlooked by political scientists interested in patterns and mechanisms of policy diffusion. However, the incentives to innovate (reckoned on the relative position of the other governments and the easiness to free ride the cost of experiments), and informative externalities and diffusion are two sides of the same policy innovation, considered as public goods, coin. In a perfect world, local governments should have large incentives to experiment numerous policy alternatives and at the same time the related information costs should be null, so that each government will be able to choose the best policy option. These two theoretical perspectives have not yet been explored by political scientists in a unified research strategy.

Nevertheless, I believe that policy diffusion literature provides useful insights to complement the discussion of policy laboratories. Overall, it is plausible to provide policy recommendations on and preconditions for policy learning under condition of a decentralised governance system.

The 'classical' theory of diffusion of innovation defines diffusion as 'the process in which an innovation is communicated through certain channels over time among the members of a social system.' (Rogers, 2003, 5) Such literature is interested on innovators' characteristics, rate, patterns, and conditions of diffusion. In particular, the rate of diffusion has been completely overlooked by the scholars interested in the capacity of local governments to

innovate under condition of a decentralised system. The classical diffusion of innovations and policy diffusion literature has evidenced that innovations tend to diffuse accordingly to a specific pattern. The cumulative frequency of successive adoptions tends to be normally distributed and approximates an S-shaped curve. Thus, there is an initial phase of few adopters, generally countries or states which have huge slack resources available, followed by a phase of high frequencies in a short period of time, and, finally, by a level-off period. This is a general finding of policy innovation literature. This leads to argue that the benefits of the first mover are not immediately marginal since the non-immediate diffusion and adoption of an innovation. Furthermore, the benefits of pioneers are not only the competitive advantage in relation to the other local governments. In particular, being recognised as a leader state can be extremely valuable. Prestige and recognition are useful for shaping the political agenda in international as well as federal contexts. Furthermore, in a structuralist framework, leaders can form norms and values. Being a first mover reduces the cost of complying with norms common among countries or local governments.

Policy diffusion literature has also evidenced other useful insights. The diffusion of information related to a policy experiment is not always complete. Mossberger (1999) has argued that accurate knowledge of outcome of a policy experiment is not always plausible. Evaluation research may be not available and not completely accurate. Promotional message may affect the quality of information. Further, relying exclusively on evaluative information without considering the broader implementation and administrative context of a given policy innovation constitutes a partial information of the experiment. ‘An example of taking the broader experience into account would be knowledge of whether one state’s program is exemplary for some reasons, or whether there are particular features of the state’s program, compared to other states, that make it especially relevant for federal learning.’ (Mossberger, 1999, 34) Accordingly, knowledge of a policy experimentation is not immediately available and requires a process of knowledge utilisation and learning by the ‘free riders’. In other words, information on experiment is not easily available and applicable.

Innovations have public consequences when collective actors are involved (Wejnert, 2002, 299). Public consequence innovations are mainly adopted when norms, values, or expectations about certain forms or practices be-

come deeply ingrained in society and institutionalised (Wejnert, 2002, 300). Rationality is collective rather than individual, at the level of politicians and voters. Strang and Meyer (1993) provided an excellent review of institutional conditions for diffusion, especially the role of theoretisation and states' modernity. Furthermore, the institutionalised environment is composed also by other actors, not only by politicians and voters. Accordingly, changes are promoted by change agents who populate the adoption environment (Meir, 1982). International organisations, such as the OECD and the World Bank, have been successful in promoting and packaging policy innovations (see De Francesco (2010) on the role of the OECD on the diffusion of regulatory impact analysis). Networks of policy-makers and experts have been proved to be effective in diffusing information and knowledge on policy innovations, accelerating their spread (True and Mintrom, 2001). Also at the federal level policy networks are effective in sharing knowledge, and probably in coordinating and sharing the costs of policy experimentation.

Finally, from a functional perspective, policy innovations are generally inserted in broader innovative cycles, in which several and different innovations are interlinked and follow patterns of life cycle which terminate with the obsolescence of a given innovation. Furthermore, administrative capacity of adopting an innovation are an essential part of policy diffusion story, as evidenced by the presence of relevant adoption-implementation gaps among adopters.

5 So what? Assessing decentralisation in Italy

Pulling together theoretical insights of decentralised government and empirical findings of policy diffusion, it is possible to assess the progress of Italian executives toward decentralisation. In order to do so, I rely on a simple framework for producing public goods and policy experimentation. This framework is composed of four elements, i.e. local governments' incentive to innovate, the quality of experimentation, the accurateness of information on policy innovation, and the diffusion of policy innovation.

The first element, the incentive to innovate, relies on the literature which is sceptical on arguments of policy laboratories. To overcome the impasse and distortion of local governments' tendency to free ride, Rose-Ackerman (1980, 614) concluded her analysis stating that more complex two-level fed-

eral system—in which local politicians ‘can run for the U.S. Senate or the presidency or be appointed to a high federal post’—may shift politicians’ choice toward more risky policy options. In other words, ‘[a] local election may produce more challengers and more competition if the winner can try for higher office.’ (1980, 614) Theoretically, this aspect has been modelled by Kotsogiannis and Schwager (2006) who have emphasised political competition in federal systems are played at different levels, determining the extent of experimentation. The other alternative identified by Rose-Ackerman (1980, 615) to increase politicians’ incentive to innovate is to increase the attractiveness of low-level elected office, by generating a more competitive low-level political system and increasing the prestige and recognition of policy entrepreneurs and innovators; being aware, however, that ‘the small size of lower level governments reduces diversification options.’

In a federal system, a central government can encourage the experimentation and adoption of new and efficient policies (Rose-Ackerman, 1980, 615). This consideration leads to the necessity to coordinate policy experimentation across local governments in order to share the cost of experimentation, to assure the largest variance in policy options experimented, and to guarantee a rapid and complete diffusion. Different policy tools can achieve this coordination: federal grants, prize (Rose-Ackerman, 1980), benchmarks, learning-by-monitoring, peer-review assessment exercises (Dorf and Sabel, 1998), and externalisation of innovative processes to private firms and non-governmental organisations (Galle and Leahy, 2009).

The second element refers to the quality of experimentation. Although the relevant differences between policy and scientific experiments, there are policy solutions for increasing the quality of policy laboratories. Beyond the already mentioned solution to increase variance of policy options, it is necessary to have a common and clear policy objective to achieve. Indeed, although experiments generally involve variations, those variation need to be carefully prescribed (Rubin and Feeley, 1993–1994, 926).

‘In medical research, for example, it would be unusual for the researcher to authorize her subjects to follow whatever course of treatment they desire, even if all the subjects agree on the general goal of finding a medical cure. The more common practice is for the researcher to prescribe the treatment for each group. This allows the use of therapies that would bot otherwise be chosen,

and provides usable data regarding their effects.’ (Rubin and Feeley, 1993–1994, 926)

Another aspect to consider is that the source of information can stem from far well beyond the border of a federal state. International experience can provide useful information and considered as further policy experiments. The presence of international and transnational policy networks facilitate the knowledge of what is happening around the world. International networks of regions and central governments, in which Italian regions and government participate, should be connected to national networks.

The other element is the accurateness of information on policy experimentation. I believe that this goal can be achieved through multiplication of formal and informal policy networks both among similar and closer regions and overall national networks. Central government should fund policy evaluations and scientific assessments of policy impacts. This would allow to increase the quality of information and create mechanism of benchmarking of novel policies.

The final objective to assure public goods of policy laboratories is to accelerate diffusion of information and successful policies. Paradoxically, this strategy cause policy converge among regions. Policy networks and central government initiatives, such as coercive adoption and harmonisation of successful policies, are useful means for this objective.

Granted the validity of such framework for assuring policy experimentation, how can we assess the decentralisation initiative in Italy? The electoral reforms of city mayors and presidents of regions have increased the political relevance of local policy innovators. However, there is still no an institutional mechanisms for rewarding local politicians through the formation of a Senate which is representative of local realities. This may allow facilitate the transmission of policies through the two levels of governments. Turning to the other elements, my impression is that no progress has been achieved in the element of quality of experimentation and its related information. Collaboration among regions should be further promoted through the establishment and institutionalisation of regional networks. On the other hand, the standardisation of expenditure costs of health services can be considered a mechanism of coercive coordination and diffusion of successful initiatives that can be extended also to other public policies. Overall, what is still lacking in the experience of Italian decentralisation is the application of

tools of democratic experimentalism such as learning-by-monitoring, peer-reviews. Such experiences have been already effectively implementing at the European level, the Open Method of Coordination, and by international organisations, such as the OECD which has put in place peer-review system for assessing the progress of its member states in several policy areas.

6 Conclusion

Paraphrasing Rubin and Freeley (1993–1994, 951), regions serve a valuable function: ‘They are the natural and convenient means to achieve the managerial benefits that flow from decentralizing certain governmental functions.’ This paper recalls American literature, in order to distinguish concept of federalism and administrative decentralisation. It has been argued that to achieve administrative efficiency and increase citizens’ participation, federalism is not necessary. Indeed, there are normative justifications for allowing regional autonomy, based on historical and ideological foundations. The crucial factor for policy experimentation is the multiplicity of policy-makers pursuing common goals.

Through a framework of elements of policy experimentation, I have summarised a set of determinants of policy learning. This framework can be an useful yardstick for assessing the extent of decentralisation in a country and across countries. From an institutional perspective, the Italian decentralisation process has been focused on the creation and recognition of political leadership at the local levels and, more recently, on coercive harmonisation process. On the other hand, formal mechanisms of coordination both among regions and with the central government has been overlooked. Conditions for mitigating the negative effects of free riding and to increase the quality of experiment process and its information are still lacking.

The review of literature of policy laboratories and policy diffusion has evidenced the lack of a comprehensive research framework which includes governments’ incentives to innovate and conditions for and patterns of diffusion of a given policy innovation. These concepts must be acknowledged together, in order to assess the extent of policy learning and whether decentralisation produce larger public goods than a centralised government. This is a research strategy that in Italian context should be applied in assessing the quality of regional health service and the extent of policy learning.

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