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UNIVERSITÀ
DEGLI STUDI
DI CAGLIARI

Ph.D. DEGREE IN
Economics and Business
Cycle XXXV

TITLE OF THE Ph.D. THESIS

Beyond the expectations: a citizens-oriented approach towards local shared
services performance assessment

Scientific Disciplinary Sector
SECS-P/07

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Final exam - Academic Year 2021/2022
Thesis defence - March 2023 Session

“Рукописи не горят”
“Manuscripts don’t burn”
- *M. Bulgakov*

This work was financially supported by Nucleo Conti Pubblici Territoriali RAS

Acknowledgements

First and foremost, I'm extremely grateful to my supervisor and mentor, Prof. Alessandro Spano, for his invaluable support and friendship throughout the past three years and for encouraging me to find my own way in pursuing academic research.

I would also like to sincerely thank Prof. Sandra Van Thiel for welcoming me to the ESSB family and extending her friendship well beyond my visiting period. Her treasured academic support was influential in shaping my methods and network, and her personal support helped me feel at home in the Netherlands.

My deep gratitude goes to all the practitioners and scholars who made this thesis possible by sharing their knowledge and lifetime work through their contributions as interviewees.

Special thanks to all my colleagues for their input and feedback and for the cherished time spent together in and out of the department.

Thanks to my parents and brother for their endless support, without which none of this would have been possible, and to Maxim, for his tremendous understanding, for encouraging me through hard times, and for taking care of me all through my studies.

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Chapter 1

Introduction

Background and rationale

Since the '90s, local governments decided to establish cooperation agreements to share some of their services in a common effort to achieve economies of scale and scope and to reduce expenses to benefit efficiency. Nowadays, service sharing, whether established voluntarily or forcibly, is an extremely common strategy in many countries. Despite being so common, though, it generally lacks policies of control and evaluation of its effectiveness: as a consequence, phenomena such as the so-called common-pool resource problem (Aldag and Warner, 2018) or the allocation of newly obtained resources (obtained by the State to establish cooperation agreements) without a change in governance, may cause bias in their evaluation. As a matter of fact, in many cases, inter-municipal cooperation agreements aimed at sharing services only exist on paper, as in the case of the Italian *Unioni di Comuni* (UdC), where it was found that the main reason for creating such agreements has been to receive public funding (Spano, 2018) and that in a lot of the Italian cases, the establishment of cooperation agreements did not have any effects on the way municipalities delivered their services (ibidem).

Inter-municipal cooperation is a widely spread phenomenon present all over Europe and overseas. Still, several of its aspects are yet to be studied (Aldag, Warner and Bel, 2020). The collective imaginary of shared services has as an objective the reduction of expenses, but service sharing does not necessarily reduce costs, especially when voluntarily (Blesse and Baskaran, 2016). In some cases, costs are actually increased by said policies, which should lead researchers to focus on efficiency and effectiveness rather than cost. Nevertheless, when studied performance of such policies is usually limited to financial aspects. Although new approaches to public administration management suggest focusing on a broader scope of performance (Alvesson and Sandberg 2020,

Aldag, Warner and Bel 2020) and citizen's needs-based satisfaction (Dunleavy et al., 2006) rather than on the mere cost, most literature does not yet represent the complexity of the performance of shared services and cooperation agreements at the local level.

One aspect of such complexity is represented by the perception of final users of shared services. Citizen satisfaction can be linked to place brand and site attachment, leading to positive citizen behaviour (Zenker and Rütter, 2014), and can throw the foundations for the co-creation of public value (Osborne et al., 2016). The research highlighted how the perceived efficiency of public services could and should be measured through citizen satisfaction, for instance, by employing questionnaires (Kushner and Siegel, 2005; Gutiérrez Rodríguez et al., 2009). Nevertheless, the research conducted so far does not, for the most part, take into account users' points of view on shared services.

Within these premises, the present study aims at understanding the extent to which performance is measured in local shared services and eventually digs to explore the extent to which citizen satisfaction is taken into account as a measure of performance. By employing an inductive approach spread over two international studies and one Italian double-case study, we provide new foundations for further research in the field, new propositions and a research agenda for empirically testing the new theory that emerges from this study.

For this purpose, the research activity is divided into three outputs. First, a critical literature review to summarise the research that has already been done internationally about performance evaluation of municipal shared services, and specifically, the methodology (where existing) for the assessment of the performance of such inter-municipal collaborations, to highlight the gap in this part of literature.

In the third chapter, the second article goes in-depth into an Italian case study of *Unioni di Comuni* that can be deemed “successful” since their municipalities share all the services, to

understand the drivers of success and formulate a research agenda to better understand which measure of performance future research should consider for assessing the effectiveness of sharing policies.

Within the framework provided by the first two studies, in the last chapter, the third article will dive into the gap that was hereby identified: the use of citizen satisfaction as a measure of the performance of local shared services. Starting from the assumption that most local services are delivered by Arm's length Bodies, we conduct an explorative study involving local government experts from eleven countries to compile an inventory of the use of citizen satisfaction as a measure of the performance of local services.

Collaboration, cooperation, consolidation. The shades of service sharing

To clarify the context, we briefly explain the main typologies of inter-municipal collaborations going from collaboration to integration at the municipal level of governance (Stead and Meijers 2009). There are more than a few kinds of relationships that can arise between municipalities, depending on factors such as the structure of government or geography (Hulst and van Montfort 2012). From *collaboration*, meaning "the act of working with others with reciprocal benefits", going through *cooperation*, as "the relationship between self-standing organisations", to arrive at *coordination* and eventually *integration*, respectively ", coordinated actions and decisions" and "unitary policies" (Stead and Meijers 2009). The difference between these forms, which are often aimed at a proper consolidation, mainly lies in the fact that across pure collaborations, the central political bodies stay separate, and management is only joint at the level of the output of the service itself. In the case of integrations and consolidations, on the other hand, two or more municipalities are united under the same name and the guidance of unique governance, therefore, at the input level. Cooperation can be thus defined as an intermediate form: political bodies

maintain their autonomy while centralizing some of their actions, sometimes by creating third bodies by pooling or moving resources for a common benefit (Hulst & Montfort, 2007).

The main expected benefit of inter-municipal cooperation regards cost: economies of scale are expected from the increasing service output, which would then reduce the average cost of service provision, which is the cost depending on the level of output (Bel and Warner 2015). But economies of scale are not the only advantage of cooperation: in the case of a higher overall cost due to an increase in the service provided, the larger number of users would allow spreading the cost over a larger share of citizens, who would thus benefit from economies of density and scope (ibidem). We must consider, though, that economies of scale are achievable depending on several factors, such as the size of municipalities and the economic structure of the service provided. Economies of scale are usually achieved in small (<6.000) municipalities (Bel and Warner 2015) and in municipalities where economies of density are already achieved due to proximity (Garrone, Grilli and Rousseau, 2013). Literature is divided in this regard since it is not yet much-studied which factors influence the possibility of economies due to inter-municipal cooperation and, more broadly, the extent of the real benefits of IMCs. Several authors underlined the possibility of an optimal size of the municipalities, under and over which the inter-municipal cooperation does not achieve the expected benefits, sometimes even resulting in increased cost (Warner and Hefetz, 2008; Garrone, Grilli and Rousseau, 2013). More research needs to be made to assess which factors impact the most on cost and how to measure beforehand the expected impact of such policies depending on the unique characteristics of each municipality.

Empirical focus: an inductive exploration

This study employed an inductive qualitative approach throughout. We started from the policy expectations derived from the literature, which were related to cost savings, economies of

scale and scope, and small municipalities as a target population. We then formulated a research question:

(RQ1) *How do we measure the effectiveness of sharing policies?* from which the subsequent three chapters, and respectively the next research questions, were developed inductively and answered in three separate studies.

In the next chapter, we present the first article, which is a problematizing literature review where we inquire about the assessment of the performance of inter-municipal cooperation and the methods and practices of their evaluation. Here we find confirmation of the expectations drawn from the literature: that the performance measurement of such policies is still underdeveloped, that the main expected benefit – to reduce expenditure – is often disattended, and finally, that most research suggests additional measures of performance, including the use of citizen satisfaction to understand the effectiveness of such policies. That is why in this chapter, we decide, first of all, to define the effectiveness of sharing policies by a measure of “success” drawn by the literature. Secondly, we try to understand the drivers of the success of such policies, in the perspective of better understanding the measures of performance that most accurately might reflect their performance.

Hence, we formulate the research question:

(RQ2) What, if any, are the drivers of the success of inter-municipal cooperation agreements?

In chapter three, we answer this question through a case study of two Italian *Unioni di Comuni*. We analyse the two cases of Bassa Romagna and Romagna Faentina, which to the best of our knowledge, are the only two cases in Italy (out of over 500 similar policies) where all the municipal services are successfully shared at the level of the inter-municipal cooperation. Here we find that although sometimes economies of scale and scope – but above all, of the process – are achieved, those are not considered the most important features of the performance of the policies.

On the other hand, we find a strong desire to meet the community's needs and, above all, a history and culture of cooperation in the territory. Nonetheless, even if we find that community and citizen satisfaction are very important in successful cases of inter-municipal cooperation, we also find that they are not measured. We assume that one possible explanation could be that most services are delivered not directly by the IMC or the municipalities but by autonomized units and external providers, also called Arm's Length Bodies. Starting from the assumption that many local services are delivered by ALBs and in light of the necessity pointed out by the literature to use citizen satisfaction as a measure of performance, we ask:

(RQ3) If and how does citizen satisfaction serve as a performance measurement tool of arm's length bodies (ALBs) in charge of public service delivery?

And we attempt an explanation of the phenomenon by asking:

(RQ4) How can its use (or lack thereof) be explained?

In the fourth and last chapters, we address the last two research questions by involving experts from eleven countries to compile a comparative inventory of citizen satisfaction as a measure of local services. Here we find that citizen satisfaction is often measured in local services but not for evaluation and decision-making. On the other hand, we find that the implementation of evaluation initiatives is often influenced by factors such as the autonomy of local governments and national politics.

Chapter 2

Inter-municipal cooperation performance measurement: a critical literature review and research agenda

Virginia Angius

Inter-municipal cooperation (IMC) is a very popular policy that lacks appropriate performance measurement. This paper critically examines academic literature on the performance measurement of inter-municipal cooperation and suggests a starting point for new evaluation research specific to IMC. Relevant papers are analysed to identify and explore potential research paths and formulate an agenda. The main criticality tackled by this review regards the "measurement for the sake of measurement" mindset, which leads to unbalance towards quantitative data, which are insufficient to reflect the complexities of public administration.

Inter-municipal cooperation and shared services

Service sharing has been one of the last three decades of the 20th century's public management staples in a panorama of initiatives led by the newly born New Public Management, seeing several forms of local cooperation emerging worldwide (Caruso et al. 2021). The purpose was to join smaller municipalities to reduce municipal expenditure, save resources, or even access (or share) neighbouring assets in a mutual effort and exchange of strengths to tackle managerial weaknesses. Inter-municipal cooperation (IMC) is, after twenty years of the 21st century, established worldwide. In some countries, it is mandatory for municipalities with specific characteristics. Inter-municipal cooperation is one of the most frequently used forms of externalisation and cooperative delivery of local services, as it allows the sharing of resources while maintaining the individuality and authority of each municipality which is part of the agreement (inter alia Silvestre et al. 2020; Giacomini et al. 2018). While much has been written on performance

management in general and focusing on specific sectors, little has been done on IMC. For this reason, this literature review aims to provide an overview of research in performance measurement of inter-municipal cooperation in local government, to underline research gaps and formulate a research agenda.

Evaluation of public management is as crucial as it is controversial, but it is not a one-size-fits-all measure. It is essential to guarantee control and accountability, and it allows benchmarking, progress tracking and a more efficient allocation of resources. From an ethical point of view, the public sector can use data to dispose of taxpayers' money as wisely as possible and provide citizens with an account of how it has been used, increasing government-citizenship trust and users' satisfaction and decreasing information asymmetry between government and people (Yamamura 2012). Ideally, such spillover should lead to a phenomenon called "co-creation of value", where policymakers and citizens collaborate to create a better environment.

The next section will dive into the theoretical background of IMC and performance measurement by defining the border of this research and formulating a taxonomy of the trends in the areas of evaluation of sharing policies. Next, we address the methodology for this literature review and then go into the results and discussion of the review. Finally, we formulate a research agenda from a substantive and a methodological point of view, followed by conclusions.

Theoretical exploration

Definition of IMC

"Inter-municipal cooperation" is an umbrella expression that includes several kinds of context-specific realities. For the purpose of this research, we avail the work of Hulst and Montfort (2007), who define two main features of inter-municipal cooperation. The first feature is that *the interactions between local governments concern a common task or goal and enjoy some degree of*

institutionalisation (Hulst & Montfort 2007 p.10). The authors counterpose realities that fall within these borders to cooperation initiatives that lack stability in time, such as joint actions (i.e., the organization of a social event in cooperation with other municipalities). In light of this feature, our research will focus on inter-municipal cooperation when it shows stability over time, is defined as continuous, coordinated actions, and is used as a long-term goal.

The second feature identified by the authors is that of *entities that formally depend on local government or other participating authorities for their establishment and existence* (ibidem). Therefore, we limit our research to cases of inter-municipal cooperation that, even when regulated by an overarching power, such as the state or region, require a municipal decision and action to be established. An example of the inter-municipal cooperation realities involved in this research would be the Italian *Unioni di Comuni*, the Spanish *Mancomunidades*, or the French *Communautés urbaines*. These kinds of inter-municipal cooperations are characterized by long-standing agreements between municipalities to share municipal services to achieve efficiency and effectiveness.

Areas of measurement: a taxonomy of practices

The second border we will define for this research is the one around the areas of measurement we find in the literature.

Academics have extensively analysed performance measurement in the private sector. From there, especially following the post-2008 austerity, they increased their attention to evaluating performance in the public sector. However, available data and a generalised lack of corporate mindset among policymakers and public managers make it so that performance is not always measured efficiently, if at all.

Performance measurement has been widely established in the private sector since the 1990s (Cooper & Kaplan 1988; Kaplan 1994; Kaplan & Norton 1998). From there, the new general

lens of performance management, through which both the private and the public sector now seem to see their activities, started to spread. The first sprouts of New Public Management began to flourish around the world following the 1970s crisis of the National Health System in the United Kingdom and the reforms in the public sector of New Zealand in the 1980s (Hood 2004). Public performance measurement became a hot topic in the same years (inter alia, Blodgett & Newfarmer 1996; Behn 1995, 2003 cited in Gao 2015). The new vision of public management included introducing a data-based management system to be carried out by professional managers, which was supposed to end the unsustainability issues of the time.

Hood (2004) provides the first insight into New Public Management's critiques, dividing NPM into four ages: "Early" and "New Right" of NPM, respectively in the late 1980s and in the early 1990s, were characterized by the first literature about this approach; the third age of NPM was characterized by increasing intellectual awareness about NPM throughout the 1990s, and finally the "middle age of NPM" and its critiques towards this approach developed from the later 1990s.

Now, twenty years from then, at the dusk of the maturity and "Middle Aging" (Hood 2004) of New Public Management, we find ourselves questioning the system, going in-depth about the necessities of the twenty-first century.

The first, immature, broad-brushed criticism is the basis for the latest a posteriori so-called Middle Age, a dark time for NPM when scholars and practitioners start to see the methodology's paradoxes.

In the next sections, we are going to develop a taxonomy of the areas of measurement of performance of inter-municipal cooperation based on the research questions that emerged from the literature.

Context and demographics

The first issue arises from translating tools, born for the private sector, into the "public language", at times indiscriminately: the public sector relies greatly on performance assessment tools destined for the private one. However, private and public realities are very different (Altman, 1979), and several studies have reflected this difference in inter-municipal cooperation as well. Among others, at least two studies were about the different cooperation trends between municipalities and the externalisation of services to achieve the same scale goals. Warner (2011) and Bel & Warner (2016) found that the choice of competition over cooperation in the United States of America's municipalities depends not so much on the delivered service but on the characteristics of the municipality itself, leading urbanised, wealthy municipalities to choose competition instead of cooperation, where the latter is instead more often chosen in less rich, rural environments. A study by Brown et al. (2015) underlines that the lack of suppliers' alternatives when contracting a given service leads to threats to cost, quality and continuity of its delivery.

There is rarely any competition in the public sector, especially where small cooperating municipalities are involved. More extensive, richer urban municipalities manage to rely on externalisation - therefore competition - to achieve economies of scale because of the plurality of actors that can deliver a given service (ibidem). However, smaller municipalities are the most common protagonists in inter-municipal cooperation agreements because of their increased need to achieve economies of scale and scope and access resources. They deliver services based on monopoly, thus not having competition as self-regulator and feedback-provider for their performance assessment (Iřoraitė 2015). At the same time, most inter-municipal agreements rely on externalization to provide their service. Therefore, the first two research questions arise:

- (1) If and how does the measurement of public shared services avails measurement concepts derived from public and private practices?*

(2) *If and how the context (geography, socio-demographic, culture) is taken into account in the measurement of the performance of inter-municipal cooperation?*

Multidimensional indicators

What gets measured gets managed. Nevertheless, the literature (inter alia Muller 2019; van Thiel & Leeuw 2002) points out that policymakers should be careful about the risks of unbalanced measuring and management: measuring should not become the final goal instead of management.

Išoraitė (2005) resumes and applies to public performance the three measures of performance, input, output, and outcome, which measure the dimensions of economy, efficiency, and effectiveness. Unfortunately, performance measurement of local government so far has been chiefly single-faced, focusing on measures of cost and expenditure (input and output, respectively, referring to the dimensions of economy and efficiency). The author states that the unbalance among these three dimensions carries risks, including a distorted view of the measured process and an image of performance that responds only to what is being measured. Indicators must be used to measure performance because, if chosen wisely, they provide the key to interpreting data from the perspective of objectives set by the examined organisations. More recently, Fryer e Jiju (2009) identified four kinds of indicators: output, welfare, performance, and composite indicators (a mix of the three). They suggest that indicators are to be used carefully: for instance, welfare, which the authors define as "the value to the final users", could be interpreted as a measure of satisfaction among the public or as the interpretation of managers of the necessities and response of citizens to their services. The fact represents another criticality, pointed out in the literature by other authors as well. There is a misalignment between the perception of service quality of managers and citizens, partly due to the difference in knowledge about the services, to the detriment of citizens' knowledge (Kelly & Swindell 2002). Išoraitė 2005, in her critical review based on the Lithuanian

context, provides an extensive analysis of the reasons we should use multidimensional indicators, including qualitative and quantitative data, in the analysis of local authorities.

The importance of output values in the assessment of cooperation and the relevance of context characteristics in the implementation of sharing policies is well underlined by another recent study (Warner et al. 2021). Their study does not focus specifically on the assessment of cooperation policies but rather on the factors influencing the government's choice of either privatising services or cooperating with other municipalities and public entities. This study underlines the importance of context in determining such policies. The study is based on a national survey dated 2017 administered in the US about the governments' use of either measure to increase efficiency and achieve economies in the delivery of services. The study expresses how cooperation responds to public values (such as community needs) rather than economic factors (such as wealth). In particular, several variables are considered; community need (rates of poverty, proportion of dependent population); capacity (fiscal and organisational); political interest (e.g. motivators and obstacles to each policy); fiscal stress; and finally, place characteristics (size, position,). Also, this analysis was done across the totality of services, therefore considering the agreement per se and not a specific service. Results emphasised how cooperation is the preferred policy compared to privatisation, especially to balance community needs with fiscal stress and political interests. On the other hand, according to the study, cooperation requires fiscal and managerial capacity to be implemented, which is lower in unionised municipalities. However, it is achieved even with obstacles (motivators are more important to managers than obstacles).

A study about the so-called "performance paradox" conducted by van Thiel & Leeuw (2002) highlights the importance of having performance assessment systems that consider the public sector's peculiar characteristics. First, the study defines the performance paradox concept as *"the result of a discrepancy between the policy objectives set by politicians and the goals of executive agents"* (p.275). To address the performance paradox, the study suggests the use of multiple

indicators that take into account several aspects of public administration, both tangible and intangible.

On another note, the so-called “service delivery paradox” characterizes the relationship with the citizens as a consumer alone. The service delivery paradox between satisfaction, expectation and performance is typically found in public services when improvements in the services “fail to register change in consumer satisfaction” (Blaug et al. 2006, p. 11). This paradox is the result of a misalignment between the service delivered and the citizens’ satisfaction. In fact, as suggested by Blaug et al. (2006), the satisfaction of citizens does not always rise with service improvements. Citizens’ satisfaction is based on their expectations, which are influenced by their opinions about the government. Therefore, the use of citizen satisfaction through the lens of a “citizen as consumer” approach is not recommended to assess the performance of public services. On the other hand, the metrics used by policymakers to assess the performance of public services should regard the satisfaction of citizens and not just the improvements made in the services (Muller, 2019) to avoid the risk of using indicators that do not reflect the effectiveness of the improvements made to the services.

Performance is more often measured at the service level: the most measured services are related to solid waste (Aldag et al., 2020), which could be explained by the more extensive data availability and the relative importance of the service itself. Studies from this department could be used to adapt the methodology to other municipal functions. However, researchers should use particular care because the externalisation of solid waste management is very common, and data provided by that sector do not always represent the corresponding municipal government's performance.

Nevertheless, solid waste literature provides a best practice for indicators analysis, possibly because environmental culture development leads to many local governments having specific objectives in their planning, such as increased recycling and reuse of solid waste. In this sense, a

relevant study is Rodrigues et al. (2018), based on a case in Brazil but with the aspiration of replication to similar municipalities. Based on literature and interviews with local managers, the authors identify the leading indicators of performance for solid waste services based on the municipal strategy's objectives (eco-sustainability oriented). This way, the authors have developed a mixed quantitative/qualitative model that can measure performance in the context of environmental goals. With similar objectives, Sarra et al. (2017) in Italy used the technique of Data Envelopment Analysis to integrate environmental targets into the data provided by governmental databases on solid waste through a regression.

This background provides the question:

(3) If and how are multidimensional indicators linked to policy objectives in inter-municipal cooperation performance evaluation?

Stakeholders' perception

Citizen satisfaction, a standard performance measure in the private sector but often overlooked by public actors, is a proxy of policy effectiveness (Gutiérrez Rodríguez et al. 2009). When measured, it is associated with public trust (Welch et al. 2004) and place attachment (which leads to positive citizen behaviour, Zenker & Rütter 2014). On the other end, citizen satisfaction is also connected with information asymmetry between the government and individuals (Yamamura 2012). It is a tool of empowerment for citizens, with beneficial spillover over both factors mentioned above.

Public performance assessment focuses significantly on quantitative data of input and output, which provide precious information on public expenditure but say little about the effectiveness of services (Išoraitė 2005). The indirect delivery of service (through sharing, agencification or externalization) has additional complications which require even more measures to explain the additional levels of governance (Voorn et al. 2019). From the analysis of the literature

concerning the assessment of perceived quality and satisfaction of citizens emerges that the main driver for such research has been a shift from the traditional administrative way of delivering public services to new, quality-driven management of public services (Altman 1979; Brown et al. 2015; Kushner & Siegel 2005; Van Ryzin & Immerwahr 2007; Zenker & Rütter 2014) along with the newly introduced concept of value co-creation in a public service perspective (Osborne et al. 2016).

From this background, we formulate the following research question:

(4) If and how is citizen satisfaction used at the local level to measure the effectiveness of sharing and cooperation policies?

On the other hand, an Italian survey conducted among randomly chosen public managers within Inter-municipal cooperation agreements (Giacomini et al. 2018) assessed the initial results of cooperation agreements by asking top managers five closed ends questions: two questions about the size and composition of the inter-municipality and three yes/no questions about the decrease in expenditure, the improvement in the quality of services and the change in institutional legitimisation following the agreement. Although being only an exploratory study, as stated by the authors, a significant limitation of this kind of study is the focus on the point of view of managers, which leads to a misinterpretation of the results because of the discrepancies mentioned above between 1) the information held by managers and citizens and 2) the reciprocal trust of these two actors.

Researchers in public management occasionally integrate qualitative data into evaluating performance, but we are far from an effective evaluation tool. In the United States, Kelly e Swindell 2002, did a cross-analysis of data provided by the ICMA National Citizen Survey with internal data available to understand the overlapping between the performance measured at the organisational level and the one perceived by the user, to construct a multi-indicator tool of evaluation. It emerged that there is not much correlation between the two. The authors pointed out that satisfaction

surveys and internal data do not often consider the differences between neighbourhoods. Differences perceived at racial and territorial levels, such as a vast wealth gap between neighbourhoods or the concentration of minorities in certain areas of a municipality, emerge from individual accounts but get lost in translation, creating biased results.

Also, discrepancies in reciprocal trust between the government and the population create prejudices and bias, affecting perception on both sides, leading to a misevaluation in positive or negative.

From a methodological concern, we ask:

(5) If and how is the involvement of managers and other informants used in the evaluation of the performance of inter-municipal cooperation?

Co-creation of value

The final insight that we can draw from public performance literature regards the co-creation of value. Co-creation of value can be both a driver and a proxy for municipal performance, even more so in inter-municipal cooperation for such a policy's collaborative nature. Osborne et al., 2016, define co-production as *"the voluntary or involuntary involvement of public services users in any design, management, delivery and evaluation of public services"* (p.640). In other words, the recipients of a given service are involved in the creation and the service itself. It happens actively or inactively. Let us think about when the local health service provides sanitary supplies upon request of the user. In this case, the user is directly (actively) involved in the service's production because they collaborate with the service provider when they need it and self-regulate their need for the service.

On the other hand, a school's availability to offer remedial education after regular school hours might depend on each student's individual needs and availability. In both examples, we see

the phenomenon of co-production, where the user and the service provider work together to obtain a service tailored to the user's needs while receiving constant feedback from the user.

The meaning of co-production is straightforward: to optimise resources and refine their offer by asking people what they think they need in a double-feedback mechanism.

Here we ask the next question:

(6) To what extent is the co-creation of value linked to the objectives of inter-municipal cooperation and its assessment?

Methodology

This paper follows the problematising review principles defined by Alvesson and Sandberg, 2020, who suggested it as a tool in contrast with the traditional integrative review (Elsbach & Knippenberg, 2020). A problematising review has a broader scope than an integrative review; unlike the latter, the first aims not at a comprehensive description of a field on which to lay the foundation for new knowledge. The problematising review critically analyses the most relevant literature on a field or topic to find strengths and weaknesses and point to new questions regarding what has already been studied.

Within these premises and the borders identified from the theoretical exploration, we undertook an inductive-deductive cycle of thematic analysis to analyse the literature about the measurement of the performance of inter-municipal cooperation.

For this review, the sampling has been made within the population of published scientific articles to benefit from the evaluation process of blind peer review, which ensures that only articles with the scientific rigour of methodology are included in the sample. The only two exceptions were made by a book and a conference abstract, which were included for their relevance.

The search has been done in two stages: firstly, employing the scientific research search engine of the website Scopus; secondly, using backward tracing of the bibliography of the articles provided by Scopus.

We used the Scopus database to source the articles, with the keywords “performance AND inter-municipal cooperation” (n=18 articles), “performance measurement AND inter-municipal cooperation” (n=1 article) and “measurement AND inter-municipal cooperation” (n=6 articles). For the search, we used the boolean actors *and/or* looking for the keywords in the title, abstract and keywords. Of the n=25 results, we removed two duplicates so that the final number of screened records was n=23.

The first stage of the analysis included the text mining of the abstracts and title: this first evaluation excluded n=11 non-relevant papers. Through backward tracing, we identified n=3 more records.

Table 1

1	Aldag, Aldag and Warner	Cooperation, Not Cost Savings: Explaining Duration of Shared Service Agreements	10.1080/03003930.2017.1411810	Local Government Studies	2018
2	Aldag, Aldag et al	It depends on what you share: the elusive cost savings from service sharing		Journal of Public Administration Research and Theory	2020
3	Bel and Warner	Factors explaining inter-municipal cooperation in service delivery: a meta-regression analysis	10.1080/17487870.2015.1100084	Journal of Economic Policy Reform	2016
4	Blåka	Does cooperation affect service delivery costs? Evidence from fire services in Norway	10.1111/padm.12356	Public Administration	2017
5	Brown et al	The impact of transaction costs on the use of mixed service delivery by local governments	10.1177/2055563616631563	Journal of Strategic Contracting and Negotiation	2015
6	Casula	Between national constraints and the legacies of the past: explaining variations in inter-municipal cooperation in Italian regions	10.1080/21681376.2016.1255856	Regional Studies, Regional Science	2016
7	Giacomini et al	The introduction of mandatory inter-municipal cooperation in small municipalities: Preliminary lessons from Italy	10.1108/IJPSM-03-2017-0071	International Journal of Public Sector Management	2018
8	Holzer and Fry	Shared services and municipal consolidation: A critical analysis (Book)		Public Technology Institute ed.	2011
9	Luca and Modrego	Stronger together? Assessing the causal effect of inter-municipal cooperation on the efficiency of small Italian municipalities	10.1111/jors.12509	Journal of Regional Science	2021
10	Silvestre et al	Is cooperation cost reducing? An analysis of public-public partnerships and inter-municipal cooperation in Brazilian local government	10.1080/03003930.2019.1615462	Local Government Studies	2020
11	Skelcher et al	The public governance of collaborative spaces: Discourse, design and democracy		Public administration	2005
12	Spano and Tagliagambe	Inter-municipal Cooperation and Cost Savings: Myth or Reality?		XXII IRSPM Annual Conference 2018	2018
13	Spicer	Bridging the accountability and transparency gap in inter-municipal collaboration	10.1080/03003930.2017.1288617	Local Government Studies	2017
14	Van Thiel and Leew	The Performance Paradox in the Public Sector	10.1080/15309576.2002.11643661	Public Performance & Management Review	2002
15	Warner	Competition or cooperation in urban service delivery?	10.1111/j.1467-8292.2011.00450.x	Annals of Public and Cooperative Economics	2011

The sampled records (in total $n=15$, as illustrated in table 1) have been coded through open, comparative, axial and selective coding. The first phase of open coding consisted in going through the papers in random order and highlighting the basic codes (excerpts). Consequently, comparative coding led to clustering the excerpts in concepts, which have been further refined and linked to each other through axial coding to form categories. Finally, selecting coding allowed us to work on the categories to further refine them and integrate them.

Results and discussion

This paper critically analyses literature about performance measurement applied to the universe of inter-municipal cooperation. The aim is to provide an overview of the performance measurement of inter-municipal cooperation, which is used as a complementary or alternative tool to evaluate policies of shared services and local government cooperation. Although not new, the context of academic research on local government cooperation agreements (Norton 1994) shows that literature about this topic is scarce; practitioners rely heavily on traditional public performance assessment tools, and literature that was withdrawn from the world of inter-municipal cooperation often reflects this intertwining. Also, fiscal stress and state austerity led local governments to focus on their financial performance and look for spending cuts. However, the main driver of cooperation in local government — cost savings — is not always reflected in academic literature (Aldag et al. 2020; Aldag & Warner 2018; Niaounakis & Blank 2017; Silvestre et al. 2020). Whenever research detects cost savings related to cooperation policies, they also underline that such savings heavily depend on the type of service and state tradition (among others, Silvestre et al. 2020; Aldag and Warner 2018; Holzer and Fry 2011).

Research about performance assessment in municipal shared services is still emerging as a new stream of interest. From our primary analysis of the distribution of papers about this topic, studies are primarily based on the analysis of data related to municipal expenditure and only

occasionally on data on perceptions – usually gathered through questionnaires. Also, most of them are single-service studies, usually conducted in the context of western, developed countries and have as an object solid waste collection and processes services (Blåka 2017; Silvestre et al. 2020). The focus of the studies lies in the generalizability of the results, although, in fact, the context is crucial in determining the agreement's creation and its success (Casula 2016). Focusing on a specific service (say solid waste management), even when shared, will not reveal the holistic dynamics behind the inter-municipal cooperation's performance (or as the group of the services involved in the agreement).

In the case of inter-municipal cooperation, measures of performance can be of three types: input, output, and outcome. The main objective for inter-municipal cooperation policies, as stated in the totality of the papers analysed and in the rest of the literature about inter-municipal cooperation, is cost savings through economies of scale. The purpose of this paper is to provide an overview of the past and current practices of performance evaluation of IMC and to shed light on potential research avenues to conquer the breadth of the complexity of such policies.

Meta-regressions (comparative studies based on previous literature) are gaining popularity throughout the universe of public administration, including inter-municipal cooperation. Bel & Warner (2016), through a meta-analysis based on 49 published and unpublished papers, found that among the drivers for municipal cooperation, fiscal constraints and spatial and organisational factors are strongly significant. They also underline that while in the United States of America, inter-municipal cooperation is mainly based on government and organisational factors, European studies are more focused on cost savings.

The most recent of the selected studies (Luca and Modrego 2021) use data envelopment analysis; the authors develop an index of technical efficiency based on data of input and output, and they use it to understand the impact of Inter-municipal collaboration (in the particular case of Italian *Unioni di Comuni*) in the administrative efficiency of the municipalities which are part of such

an agreement. This study is consistent with the international trend of employing municipal expenditure data to assess the effects of cooperation policy; it considers measures of output for public goods and services that include the totality of the service areas concerned by the cooperation policies part of the study. They use secondary data gathered through questionnaires administered to the municipalities and build indicators for each sector (i.e., the average time of service provision, number of certificates prepared, etc.).

Silvestre et al. (2020) proposed a novel study, not for topic or methodology but for context and unit of analysis. The authors underline two of the existing limitations of studies about inter-municipal cooperation agreements; one is that the units of analysis are usually selected among developed western countries. To face this limitation and try and fill the gap left by developing countries, the authors analysed a sample of municipalities in Brazil. The second limitation underlined by the authors is that most of the existing studies are single-service analyses of solid waste management. To address this gap, the study focuses on a range of services: social assistance, health, culture and housing. The analysis of costs of the units' object of the study found that cooperation does indeed lead to savings in general, with the exception, in this case, of the health sector. Although the study stresses that size, population characteristics and type of agreement influence this result variously. Smaller size municipalities benefit from cooperation more, and in general, cooperation is more effective than the other agreement object of the study.

On this note, a study about the heterogeneity of performance concerning the services shared by municipalities was issued the same year by Aldag, Warner and Bel 2020. The study considers a span of twelve local services over twenty years. In accordance with most literature, the authors found that only about half of the cases showed cost reduction, particularly in asset-specific or administration-intensive services such as waste management, roads and highways, police, library, and sewer services (cfr. Holzer & Fry 2011). In contrast, no reduction has been found in

economic development, ambulance, fire, water and youth recreation and increased costs in elder services, planning and zoning.

Analysing a longer term is essential in evaluating sharing policies because reduced costs are associated with short-term agreements (Aldag & Warner 2018). Therefore, a more extended timeframe can provide more precise estimates of the effects of such policies beyond costs.

The topic of duration is faced by Aldag and Warner 2018, who study the impact of several variables on the duration of cooperation agreements. Here duration is considered a proxy of performance, and as already mentioned, it is negatively correlated with cost reduction. Such a result is in contrast with other studies, such as Spano (2018), which finds that long-term IMC is often ineffective. The variables with a positive impact on the duration of cooperation agreements are positioned on government and agreement levels. Short-span agreements show the transaction cost characteristics of for-profit contracting, and longer-term shared service agreements show more drivers and decrease transaction costs over time following agreement formalisation. Shared service agreements are not driven by competition but rather by cooperation and reciprocity. The survey resulted in cost savings not being the primary goal of administrations in implementing cooperation policies.

Across the pond, another survey by Giacomini, Sancino and Simonetto (2018) provides an exploratory study on the effects of sharing policies beyond the costs set in Italy. The authors administered an e-mail questionnaire to 1360 Chief Financial Officers of Inter-municipal cooperations in Italy (UdC), with a response rate of only about 20%. The questionnaire was composed of five close-end yes/no questions about their perception of several aspects of the performance of the UdC they oversaw. The inquiry regarded the relevance of a few factors, such as the UdC's dimension, the presence of a "big brother" (a leading municipality), the reduction of expenditures and the increase in quality, and institutional legitimation. According to this study,

smaller municipalities benefit from the shared delivery of services, reflecting other studies about the topic (*inter alia*, Warner 2011).

A topic that only emerges a handful of times in literature about inter-municipal cooperation is accountability. Spicer, 2017 fills this gap by modifying and applying the Governance Assessment Tool (Skelcher et al. 2005) to the universe of Inter-municipal cooperations in the Greater Toronto area. The explorative study brings to the surface the issue of multiple-accountability disorder. Multiple accountabilities in inter-municipal cooperation agreements involve the presence of two agents (the municipality and its group of cooperation) and uncertainty by the principal (the citizen) about the head of responsibility (*locus*) of the shared service since municipalities that are part of a cooperation agreement keep their individuality and authority. The author explains how a lack of transparency and information asymmetry between the government and the citizens can be correlated to a lack of accountability in the administration and suggests a relationship between accountability and performance — in terms of quality and cost of services.

Several authors cited so far (cfr Aldag et al. 2020; Silvestre et al. 2020) emphasised the importance of analysing the effects of inter-municipal cooperation across several services and not limiting the analysis to single-service studies. Nevertheless, it is essential to mention the single-service study by (Blåka 2017), which focuses on fire services in Norway: a strongly territory-dependent service that is not often analysed in-depth (in contrast to, for example, solid waste services). The study uses operational costs rather than transaction costs (Williamson 1978, 1979) and finds that cooperation carries cost savings, although it also carries higher transition costs (operational costs related to the transition). In fact, the cost savings appear higher with the establishment of the agreement to decrease with each additional member of the cooperation. On the other hand, since the study is a cross-sectional analysis of different delivery methods implemented by different organisations and focuses on operational costs, it underestimates transaction costs and overestimates savings.

Transaction costs are the focus of a 2015 study by Brown et al. (2015), from which it emerges that local governments are more likely to choose mixed service delivery when services are more difficult to specify and more challenging to produce and when there is a wide range of alternative suppliers. In the latter case, local governments are most likely to select private firms as mixed service delivery partners, while otherwise, they collaborate with non-profit and other local governments. Transaction costs should be considered more readily in the analysis of inter-municipal cooperation. They are strictly related to the number of agents and a determinant factor in the management choice between inter-municipal cooperation agreements, mergers, and externalisation. For example, Warner 2011 explores the prevalence of competition or cooperation in local service delivery. It points out that such prevalence depends on the organisation's characteristics rather than on the nature of the services. In fact, according to this study, privatisation based on competition is much more frequently correlated to wealthy and urban settings while cooperation in less-wealthy, rural environments. Also, the level of human interest is relevant in the policy orientation: human-related services (such as those related to care and culture) lead to an increased need for control of the output, which is directly administered to citizens, from public administrations.

Territory dependence is not the only external factor to consider when evaluating inter-municipal cooperation. Culture and history are two relevant factors that should be considered in the analysis since the same policy could be implemented and welcomed differently depending on the cultural base. This issue is tackled by Casula 2016 who applies a mixed methodology from a broader social science perspective. The study explores the impact of regional culture on the effectiveness of Italian inter-municipal cooperation agreements — in particular in two regions, Veneto, and Emilia-Romagna — and finds a positive correlation. The study's novelty lies in focusing on meso-level organisations and regions, which are usually overlooked by studies on inter-

municipal cooperation, which instead focus on the local and national level, even when the regional meso-level is culturally and organizationally relevant in public administrations.

Another study that focuses on several studies variables is the one of Bel and Warner (2016), a meta-regression analysis of existing literature which helps categorise the relative importance influencing factors of inter-municipal cooperation: economic and fiscal factors versus the governance and organisational factors. The study emerges that fiscal benefits are relevant, especially in small municipalities, while wealth negatively impacts cooperation. The municipalities involved in the inter-municipal cooperation, as expressed in suburban versus metropolitan status, is also relevant, with suburban centres more involved in cooperation. An interesting variable emerging from this study is racial homogeneity, which positively influences the cooperation status, while the size is not relevant. The study again underlines a significant difference in the results of single-service studies and multi-service studies, stressing the importance of analysing a wide range of services.

Another study worth mentioning is (Spano 2018), a descriptive study that analyses the degree of functioning of a sample of UdC (Italian most common inter-municipal agreements) through the combination of expense analysis and the administration of a survey to a sample of UdC. This study emerges the motivation behind the UdC's creation in the first place, often the availability of regional and state funding tied to the implementation of such policies and the obligation required by Italian law. From the point of view of performance, a lot of UdC is not implemented, meaning that after the UdC has been formed, little to no services have been transferred from the municipality to the joint management of the UdC; therefore, the agreement is only on paper. This is particularly relevant, and further research should be done to assess the effectiveness of such inter-municipal agreements as well as the reasons why they remain inactive.

The studies analysed and reported here do not necessarily reflect the mainstream research about public performance assessment, primarily based on descriptive studies or cost analysis-based

case studies. In the first case, research is not readily applicable to other cases because of the strictly local nature of inter-municipal cooperation agreements, which largely depend on local jurisdiction and management systems (Bel & Warner 2016; Casula 2016); in the second case, cost analysis is not directly traceable to performance. Finally, a big absence from the literature on performance assessment in inter-municipal cooperation and shared services regards the direct involvement of citizens in the evaluation (Spicer 2017) and the process of co-creation, one of the rising staples of public management.

Involving top managers and informants in the evaluation of the performance of sharing policies might help gain a better understanding of the internal practices and, above all, expectations and objectives of these policies.

Research Agenda

The review of the literature on performance measurement of inter-municipal cooperation resulted in important gaps that could be addressed with further research from both a substantive and a methodological point of view.

Substantive matters of interest include, firstly, the potential for analysis of the multidimensional indicators in relation to policy objectives, a relationship that is completely missing at the moment. In fact, among the scarce research, measurement does not take into account the policy objectives of inter-municipal agreements. Secondly, the context is not studied, although the literature states that the success of inter-municipal cooperation largely depends on the characteristics of the territory: not just size and population but also territory, extension, state tradition and culture.

Thirdly, more detailed information could be sought at the fringes of municipal domains by including citizen satisfaction evaluations as well as evaluation of the processes of co-creation derived from the joint management of multiple municipalities.

From a methodological point of view, the literature suggests ample breathing space for qualitative studies. Because most – of the scarce number – of articles rely on financial measures, the measurement of citizens' perceptions and outcomes of the effectiveness of sharing policies could bring new theories on the effectiveness of these policies.

Conclusion

The topic of inter-municipal cooperation evolved in the last twenty years, following the 2008 crisis and austerity, but its roots are traceable way back. Among the policies that governments implemented to achieve economies of scale and scope, inter-municipal cooperation is the most widespread. It is considered the most versatile and the one with minor transaction costs. However, the literature shows the need for further research. As we have seen in several studies (Aldag et al. 2020; Aldag & Warner 2018; Bel & Warner 2016; Spano & Tagliagambe 2018) and mentioned in the previous paragraphs, cooperation does not always mean cost savings, and cost savings are not always related to increased performance, same as the absence of cost savings does not mean a decrease in performance (van Thiel & Leeuw 2002).

This critical review served the purpose of identifying and providing an overview of the (not prolific) literature regarding performance measurement of IMCs and highlighted research avenues for a better understanding of the effectiveness of such policies. The sample included very different papers, and all of them pointed out that the evaluation of inter-municipal cooperation agreements cannot be based solely on expenditure measurement; other factors need to be considered, such as local characteristics and cultures, characteristics of the services, transaction costs, legislative factors and finally, accountability. Moreover, a discussion section was included concerning studies about inter-municipal cooperation and insights from public management studies.

This critical literature contributes to the current discourse by shedding light on the only studies about the measurement of performance of inter-municipal cooperation and analysing the current state of research to provide an agenda for future research and to a holistic and

comprehensive evaluation of such policies, policies that characterise so many countries around the world.

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Chapter 3

What makes it work: propositions from a case study of the Italian *Unioni di*

Comuni

Virginia Angius and Alessandro Spano

Inter-municipal cooperation is a local government strategy aimed at achieving a wide range of benefits, including but not limited to increased efficiency and effectiveness of local services. Nevertheless, IMC is oftentimes not effective. Out of 537 *Unioni di Comuni* in Italy, only two seem to be functioning as expected. In this study, we explore their story and find that their success is influenced by several factors, such as the existence of previous agreements of cooperation but also the culture of the territory. We also find that most of the majority of the benefits achieved are not related to financial aspects.

Introduction

Small municipalities face significant difficulties in ensuring adequate levels of service to citizens. Inter-municipal cooperation (IMC) is a strategy designed in several countries to help to gain benefits not just in efficiency but also in the quality and quantity of the services delivered, also to the benefit of crisis and post-crisis management.

The Italian *Unioni di Comuni* (henceforth UdC) are self-standing entities created by two or more municipalities that maintain their own political and administrative structure for the joint delivery of services. In the past two decades, over 700 UdC were created throughout Italy. Most of them provide a limited number of services jointly, and over 170 have ceased to exist. The success of this form of cooperation is still to be evaluated. Despite the growing number of UdC, limited studies have been conducted on the actual results they have achieved. For this reason, in 2021, we

conducted a study to investigate the drivers of the success of such agreements through an explanatory double-case study of two UdC di Comuni in Italy. The study uses a qualitative approach to answer the question *What are the drivers of the success of inter-municipal cooperation agreements?* To provide an answer to this question, we selected as case studies the only two UdCs that, based on our investigation, deliver all the services jointly.

This paper aims to understand the drivers and processes that lead those two UdCs to achieve this important result and transfer their municipal services to the new entities while maintaining their autonomy. Through a within-case and a cross-case analysis, their two very different structures and approaches were compared to understand how they reached their policy results. We interviewed four top managers in the UdCs, and supporting the analysis with documents and official reports issued by the UdC, we aim to understand what drove them to success.

We found that state tradition and a history of cooperation play a significant role in the success of the sharing initiative of the UdC, which is partly considered a natural evolution of previous forms of cooperation. Characteristics of the territory and being part of a territorial district (such as a Healthcare District) also have had an influence. Finally, we discuss the importance of long-term planning and the balance between the sides of administration and politics, with an emphasis on political continuity. Regarding the benefits of the agreements, we find the optimization of human resources and IT systems, higher quality and quantity of the local services and better management during the Covid-19 pandemic, especially in terms of delivery throughout the territory, but no reduced costs.

We contribute to the literature on the performance of local shared services by rationalizing the best-case scenario of fully working shared service public entities and discussing managerial implications with suggestions to practitioners involved in such processes. We finally draw conclusions by producing causal inferences and a research agenda for future research.

The study is articulated as follows: the next section will introduce the conceptual background and theoretical exploration; the third section will report the framework of the study. Next, we proceed with the findings of the study and offer propositions for empirical research. Finally, we discuss the contribution and implications of the findings and highlight areas for further exploration.

Conceptual background

Inter-municipal cooperation: a theoretical exploration

The borders of this study are delineated by the definition of inter-municipal cooperation by Hulst & Montfort, 2007 as "*stable entities established by local governments and other participating authorities*" (p.10), where the interactions among local governments concern a common task and enjoy some degree of institutionalization (ibidem). This definition includes entities such as the Italian '*Unioni di Comuni*', the Spanish '*Mancomunidades*', or the French '*Communautés urbaines*'.

Inter-municipal cooperation is seen as a tool to address the inefficiency of scale due to sub-optimal jurisdictional size (Ferraresi et al., 2018; Luca & Salone, 2013) and constraints derived from limited resources, such as in the case of the austerity following the Global Financial Crisis of 2008 or the Covid-19 pandemic, which resulted in increased difficulties in the provision of services, particularly for small municipalities (Bel & Warner, 2015).

Several studies on inter-municipal cooperation find that the main driver for policymakers that decide to implement this kind of shared service delivery among municipalities is a potential increase in efficiency through the reduction of cost per service and the potential increase in the number of services provided (Bel & Warner, 2015). On the other hand, studies also found that cost savings are not a typical result of such policies (Aldag et al., 2020; Aldag & Warner, 2018). Nevertheless, most studies do not explore the drivers of the success of said policies.

Research framework

To address the necessity of understanding the drivers of the success of inter-municipal cooperation, we avail the case studies of Bassa Romagna and Romagna Faentina, the only two UdC that deliver the totality of their municipalities' services out of over five hundred existing UdCs in Italy. UdCs are a kind of institutionalized inter-municipal cooperation regulated in Italy since the year 2000, with a legislative decree that defines the UdC as a local entity that serves as an institutional form of municipal association. Italian law allows any two or more municipalities to join as a UdC. However, it also prescribes that municipalities with less than five thousand inhabitants should deliver at least their fundamental functions (as groups of services) in an associated form (such as administrative organization, urban planning, waste management and so on).

The scope of the associated delivery of services is to address fragmentation and inefficiency (Luca & Modrego 2021), typical of the Italian territory, characterized by a great number of small municipalities (some 70%).

There currently are five-hundred and thirty-seven UdC in Italy. Spano 2018 analysed the degree of functioning of a sample of UdC.

The study first addressed the drivers of the policy decision to establish UdC. According to the survey, the main driver for municipalities that were not obliged by the law to form UdCs, therefore of those who did it voluntarily, changed over the years. In the first period, from 1990, when the first UdC was established, to 1999, the achievement of higher efficiency and economy was the main driver. In the following period, until 2020, the main driver became the opportunity to access public funding linked to establishing UdCs. This is linked to a second aspect highlighted by this study: the limited number of services jointly delivered. About 60 % of the UdCs delivered at most 12 of the 46 planned services, about 30 % from 12 to 25 services, and 13 % over 26 services; no UdC delivered at the time of that study, the totality of services (Spano, 2018).

The two cases featured in this study represent the reality of the UdC Bassa Romagna and Romagna Faentina, both situated in the Italian region of Emilia-Romagna, in the North-East of the country. The two cases were chosen because Bassa Romagna and Romagna Faentina are the only two UdC which implemented a strategy of total centralization of services by transferring the municipal services to the UdC. This study aims to understand the drivers of the success of the two cases by analysing each reality in depth and comparing their two unique approaches.

The UdC Romagna Faentina (established in 2011) was started by the *Comunità Montana dell'Appennino Faentino* (a community of municipalities from the Apennine region near Faenza, formed by the municipalities of Brisighella, Casola Valsenio and Riolo Terme) and the municipalities of Faenza, Castel Bolognese and Solarolo. Similarly, the UdC Bassa Romagna was constituted in 2007 by the nine municipalities of Alfonsine, Bagnacavallo, Bagnara di Romagna, Conselice, Cotignola, Fusignano, Lugo, Massa Lombarda and Sant'Agata sul Santerno (table 1).

Table 2: The member municipalities of the UdC Bassa Romagna and Romagna Faentina

UDC BASSA ROMAGNA	POP.	UDC ROMAGNA FAENTINA	POP.
ALFONSINE	11.567	Brisighella	7.237
BAGNACAVALLO	16.502	Casola Valsenio	2.504
BAGNARA DI ROMAGNA	2.418	Castel Bolognese	9.519
CONSELICE	9.643	Faenza	58.335
COTIGNOLA	7.323	Riolo Terme	5.634
FUSIGNANO	8.117	Solarolo	4.480
LUGO	31.728		
MASSA LOMBARDA	10.378		
SANT'AGATA SUL SANTERNO	2.905		

The two UdCs present some similarities and dissimilarities (table 2). Both of them present a *satellite* connotation, meaning that both feature a larger municipality – also called "big brother" – (Faenza and Lugo, respectively), surrounded by more or less small municipalities, although in the case of UdC Romagna Faentina, Faenza (almost sixty thousand inhabitants) might have a more

potent driving force compared to UdC Bassa Romagna, where the larger municipality, Lugo, has thirty-one thousand inhabitants, and the difference among the municipalities is less pronounced. On the other hand, Romagna Faentina is partly a mountain territory, with half the municipality in the region of the Apennines; Bassa Romagna is largely positioned on lowlands, presenting geographical connotations which are similar among the municipalities involved.

In both cases, the UdC remained the same throughout its existence - except that Romagna Faentina was formed by an already existing association of mountain municipalities. Therefore, no municipalities joined or exited the UdC since their initial constitution. Also, in both cases, the main functions were centralized by establishing the headquarters of the UdC in the larger municipalities (Faenza and Lugo, respectively).

Table 2: The Largest municipalities of the UdC Bassa Romagna and Romagna Faentina

	UDC Romagna Faentina	UDC Bassa Romagna
Largest municipality	Faenza (58.335)	Lugo (31.728)
Total population (Istat 2019)	87.709	100.581
Territory	Mountain-hills	Lowland
Year of constitution (Statute)	2011	2007
Typology (IFEL category ¹)	Satellite	Satellite
N° municipalities	6	9

To investigate the drivers of the success of UdCs, it is necessary to define success. So far, the main objectives of sharing policies have been related to efficiency: to achieve economies of

¹ a) *Couples*, UdCs with only two municipalities;

b) *Small*, UdCs with only small municipalities (<5.000 inhabitants)

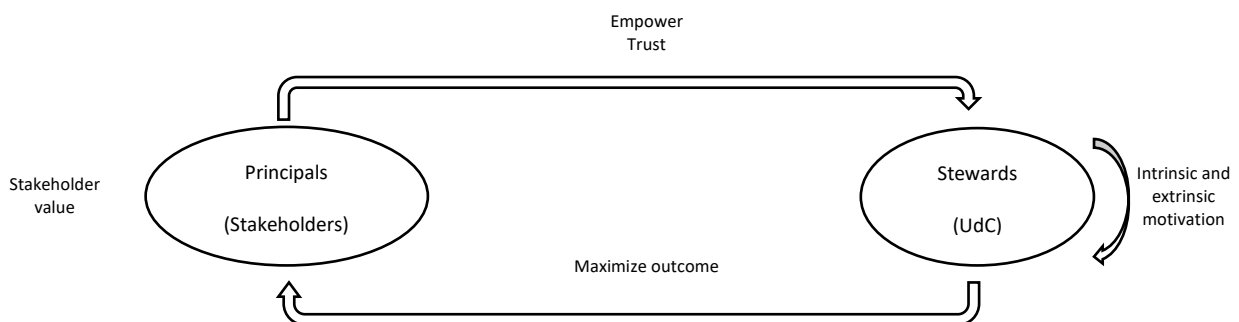
c) *Archipelago*, UdCs with municipalities of different size (small and large) of max 15.000 inhabitants

d) *Satellites*, UdCs that include small sized municipalities (<5.000 inhabitants) and big municipalities (>15.000 inhabitants)

e) *Large*, UdCs with only large municipalities (>5.000 abitanti). (Ricerche, 2015).

scale by joining municipalities and their resources. In several contexts, including the Italian one, cooperation was once considered the first step toward a merger (cfr. Turley et al., 2018). However, one of the main issues in shared services, in particular in the Italian context, is related to the need for each member municipality to keep its autonomy (Spano, 20218). In addition, success is also linked to the duration of such agreements (Aldag & Warner, 2018). Within these premises, we define the success of inter-municipal cooperation and particularly of UdC to be twofold: from a managerial aspect, the ability to achieve effectiveness by sharing the majority of the resources and improving the quality and quantity of services to the citizens; from a cultural aspect, the ability to do so while maintaining a degree of autonomy (for instance by maintaining political representation). From this ground, we position the study in the shift from agency theory to stewardship theory (fig 1): we drive away from the economic and financial orientation of Agency theory to approach a more stakeholder-oriented view of the scope of local management, where the steward (the UdC) carry both intrinsic and extrinsic motivation in pursuing sharing policies, and is entrusted with the agency from the principal (the municipality) to answer the need of all the stakeholders involved, in an attempt to create public value, and to act in the interest of cooperation, even when the individual goals are not aligned (Davis et al., 1997).

Figure 1: Stewardship-stakeholder model in UdC, authors' elaboration



Research method

For this research, we designed a double-case study featuring within-case and cross-case analysis. We chose the method of elite interviews (Aguinis & Solarino 2019; Harvey, 2010; Stephens 2007) to gather information about the processes and perspectives of individuals on the field during the transition toward inter-municipal cooperation. The use of elite interviews was particularly useful in the process-tracing portion of the study, especially in understanding the decisional drivers of the interviewees.

Data collected through interviews were complemented by the analysis of official documents issued by the UdCs and by the Emilia-Romagna regional council; the two groups of data were analysed with narrative (Borins 2012; Dodge et al. 2005) and document analysis (Bowen 2009), respectively.

The narrative approach is helpful in small-scale case-oriented studies, especially in generating new hypotheses for further research while creating meaning (Borins 2012). Kaplan (1986) suggests using narratology to complement analytic criteria in policy analysis. More recently, Dodge et al. 2005 suggested narratology in a three-part Public Administration Review series to show practitioners' perspectives, going beyond and complementing a more positivist approach.

Narratological literature shows two main strands, an interpretive and a positivist one, which respectively focus on the creation of meaning and the preservation of individual narratives versus the use of narrative to structure and model a sequence of events (Borins 2012).

Narrative analysis is a widespread qualitative approach still underused in Public Administration and Management (Borins 2012). However, a handful of authors already gave it a chance to try and explain some of the most social phenomena in the field (Devine et al. 2021; Dodge et al. 2005; Mir & Rahaman 2006).

Within the scope of this study, the narrative analysis allowed the interviewees to tell their stories of transition into inter-municipal cooperation during semi-structured and generally very

broad interviews. The narrative analysis also allowed for the investigation of the decisions and their motivations and background, the process, and the impact of internal and external factors such as previous arrangements, the characteristics of the territory and the relationship between the municipalities and their citizens.

Within these premises, we aim at producing two kinds of output: on the one hand, we try and build a story of the creation of the two analysed UdCs by going into depth about the experience of practitioners and showing each one's unique perspective. On the other, we try and operationalize the process that led the UdCs to what they are today and use those bricks to formulate propositions for further research.

Data collection

Two double interviews were conducted with one elected official and the top manager of the UdC of Bassa Romagna (President and Director General of the UdC, respectively) and two top managers of the UdC Romagna Faentina in March and July of 2021. The interviews lasted between one and two hours. We invited the interviewees to tell their version of the story of the UdCs although using a semi-structured interview protocol to allow the interviewers to have a guideline of items (cfr. appendix A) that addressed the main sensitizing concepts of the research, which were drawn from the literature:

(7) Characteristics of the process of establishment of the UdC and managerial implications

(8) Results of IMC

(9) Role and involvement of citizens

(10) Benefits, criticalities, and future development

In addition, we operated further data collection of the official documentation of each case. In particular, we included the following documents in the research:

- organization charts

- function charts
- strategic charts
- 2018 report about the regional UdC (issued by the Emilia-Romagna Regional Government in 2019)
- Institutional re-organization draft issued in 2018
- 2012 report about Citizen Satisfaction with the UdC (Unione dei Comuni della Bassa Romagna, 2012)

Data analysis

The first part of the data analysis regarded the analysis of the elite interviews (Aguinis & Solarino, 2019; Harvey, 2010; Stephens, 2007). The elite interviews that were in-depth and intensive were recorded and transcribed *ad verbatim* and analyzed through narrative analysis. The interviews were conducted in Italian (the mother tongue of the participants as well as the interviewers) and reported in English in this text; translation to English was performed by the authors to preserve the meaning of what has been said (Harkness et al., 2003).

The coding was performed on the NVivo software by strings of significance to keep the semantics strictly connected to the surrounding context (phrase-by-phrase coding). The coding method was chosen to keep the context and narrative of the participants intact. The resulting codes were collected and reported in three narratives. After removing the stop words, the clusters were formed by word similarity, meaning that the words within the codes were analysed by NVivo and compared. Codes that show a higher degree of similarity across the words within them are clustered together, while on the other end, codes that contain less similar words are further apart in the branches. Thus, the cluster analysis allowed for understanding patterns in codes and the first exploration of possible causal inferences among the analysed elements.

Codes were then analysed by hierarchy, showing that the two cases provided discording information on several themes. The main elements of the themes were operationalised as attributes to compare the two cases and will be presented in the next section.

Results

Hierarchical analysis of the data produced two orders of results: first, the exploration of the themes that emerged from inductive coding, which are synthesized in table 3. Second, the hierarchy of themes for each case shows the relative importance given to each theme by the informants (table 4). Starting from the results, propositions for further research were formulated.

Table 3: Comparison of cases' main themes

	Bassa Romagna	Romagna Faentina
Territorial factors	Political homogeneity	"Big brother"
Region	Collaboration, Acknowledgement, Incentives, regional coordination	Monitoring, acknowledgement, incentives, collaboration
Antecedents	Natural epilogue, cooperation history, shared functional district (i.e. same Healthcare District)	Natural epilogue, cooperation history, shared district (i.e. same Healthcare District)
Citizens orientation	Yes	No
Benefits	New services, scale economies (HR), economy of process	Autonomy intact, scale economies (HR), specialized services, long-term efficiency
Process	Political-administrative balance, complexity, strong coordination, collaboration	Monitoring, fatigue, fine-tuning, centralizing
Drivers	Importance of stakeholders, long-term objectives, stronger together, inclination towards cooperation	Mayors' will, stronger together, shared needs

Table 3 shows the main themes that emerged from the interviews. We can immediately identify some commonalities: first of all, in both cases, previous collaboration was deemed fundamental to the success of the UdC, even though the two UdCs started from different assumptions. While for Romagna Faentina, the presence of a "Big Brother" was fundamental to the success of the policy, in Bassa Romagna the political alignment among the municipal governances was deemed essential. For what concerns the relationship between the UdC and the Emilia-Romagna Region, in both cases being acknowledged (as a best practice) by the region, also through financial incentives, was very important. In the case of Romagna Faentina, though, more emphasis

was placed on the possibility of collaborating with the Region, from a territorial and vertical cooperation perspective. On the other hand, Bassa Romagna put more emphasis on mutual coordination (also through regional planning) to achieve common goals.

In terms of citizen orientation, the two UdCs showed very different results. In the case of Bassa Romagna, citizen satisfaction with the policy was deemed important (although only analysed once since the beginning of the UdC, cfr. Unione dei Comuni della Bassa Romagna, 2012). In the case of Romagna Faentina, citizens were hopefully unaware of the existence of the policy, which on the front end maintained the territorial representation through “garrisons”, or one-stop shops, while most of the cooperation regarded the back end of services.

The two different strategies (front- vs back-end UdC) showed similar but not equal results: in the case of Bassa Romagna (front and back-end implementation), the main results, according to the informants, regarded the establishment of new services (such as the seismic and the legal office) and the achievement of economies of the process (and on a smaller scale of economies of scale, though limited to the human resources). Romagna Faentina, on the other hand, showed satisfaction regarding the possibility of specializing back-end services (by allocating expert human resources more efficiently) and achieving efficiency but only on a long-term basis. Another interesting result shows the achievement of an optimal balance between the centralization of the management and the subsistence of territorial autonomy (and representativeness) by the municipalities.

Finally, among the drivers of the success of the UdCs, in both cases, we find the prevalence of the “stronger together mindset”, which in the case of Romagna Faentina has a slight inclination towards political strength within the regional environment, but which in both cases is correlated with the possibility to offer better public value to the community through cooperation.

Table 4 shows the hierarchy of themes that represents the relative importance given to each theme by the informants. We could make this analysis because the interviews were very broad

and allowed the informants to talk freely about their story of UdC, with minimal intervention from the interviewer: therefore, a hierarchy was built based on the frequency of each subject (code) mentioned in the conversation with the informants.

Table 4: Comparison of themes hierarchy

	Bassa Romagna	% on total mentions	Romagna Faentina	% on total mentions
1	Process	44,4%	Process	39,5%
2	Benefits	21,3%	Benefits	28,1%
3	Drivers of success	10,8%	Drivers of success	7,5%
4	Territorial factors	7,3%	Relationship with the region	7,1%
5	Strengths	6,2%	Territorial factors	6,7%
6	Relationship with the region	3,7%	Neutral citizens orientation	6,7%
7	History	3,7%	History	4,3%
8	Positive citizens orientation	2,6%		

From the hierarchical analysis, we see that in both cases the themes related to the process of implementation (associated with words such as “*complexity*”, “*fatigue*”, and “*foresight*”), along with the benefits achieved and the drivers of success, were deemed important and were extensively discussed during the conversation. In both cases, we find a similar hierarchy of all the themes based on relative importance, derived from the recurring themes during the almost unstructured conversation.

A story of Unione

We continued the analysis based on the preliminary results by identifying the informants’ narratives.

To go more in-depth into the story of the cases subject to study, we analysed the interviews through narrative analysis, to maintain the meaning and direction of the story which were used by the informants to describe their experience in the implementation of the respective UdCs. The

findings were then used as the foundation to elaborate propositions (Table 5) that could be used to empirically test the causal inferences that we therein suggest.

Table 5: Summary of theoretical propositions

Drivers of choice	P1a	The stronger the intrinsic motivation of the practitioners regarding the common good, the more the inclination towards the implementation of IMC
	P1b	Previous cooperation facilitates the implementation of IMC policies
	P1c	The choice of implementing IMC is stronger the stronger the political motives of the Mayors.
	P1d	Mayors are more inclined to start IMC in the second half of their mandate.
Drivers of success	P2a	IMC is more successful when the mayors value cooperation over individualism.
	P2b	political cohesion is not correlated with the performance of technical sectors of service.
	P2c	Political cohesion is correlated with the performance of policies regarding ethically sensitive subjects.
	P3a	IMCs are more successful when the Mayor values power motives over financial motives.
	P3b	IMCs are more successful when the Mayors value inter-institutional relationships over financial implications.
	P3c	IMCs are more successful when planning balances individual and collective needs.
	P4	IMCs are more successful when the back-end services are shared first.
Outcomes	P5a	IMCs allow delivering services that would not be delivered otherwise.
	P5b	IMCs allow for personnel growth that would not be achieved otherwise.
	P6a	Citizens of IMCs that begin sharing the back-end services, do not perceive the implementation of the policy.
	P6b	Citizens of IMCs that share all the services from the beginning, show satisfaction with the policy.

Narratives of choice

“Some of the nine municipalities had conventions for the associated management of various services, even important ones... and then at a certain point, we made this acceleration, just as I said before, to formalize this new state... that was not easy, or painless, but the direction, was also understood, it was undertaken. So it was clear that we would arrive at this point.”

Sometime after collaborating on individual services, the municipalities which are territorially part of the sub-regions of Bassa Romagna and Romagna Faentina decided to institutionalize their relationship.

The choice process behind the reason for selecting this kind of policy is essential to explain the success of the two inter-municipal cooperations under scrutiny: the managers remarked how previous collaboration was a potent driver for the establishment of a cooperation agreement that was considered the natural epilogue of an already established momentum in the life of the municipalities, expressed by words such as *hastening, formalization, inclination*:

"It's not like as soon as we cross a border, an administrative signpost, we demand or serve anything different, above all because we already are a single district."

"Earlier, I referred to the conventions that were in place once; I am thinking of the municipality of Bagnacavallo, which, by the way, also had important functions; the head of the social services and of the financial services had been the same for a very long time through that agreement; therefore, there were those structures that have produced a propensity towards this direction."

"This is a land that is inclined to work in a coordinated way, so even when we offered to do this job, the whole Union was involved, and all the councillors worked as a system, they found the information that if you were to be alone in the area, you could not have."

From a common good perspective, the mayors and managers felt the need to improve the services offered to the citizens, which already had *high standards*. The drive towards an increased service to the rest of the population was also an essential feature of the decision-making process. In fact, while on the one hand, they had a history of collaboration, on the other, they had the feeling of benefit coming from it and the need to institutionalize and streamline the already existing relationships. Thus:

P1a: The stronger the intrinsic motivation of the practitioners regarding the common good, the more the inclination towards the implementation of IMC.

The first type of collaboration (i.e. associations), provided important cooperation ‘*training*’ as defined by one of the interviewees, which also helped the transition:

"We have done, let's say, good training to start working together."

"Having done it before, we were already trained so we could work together, and not just because we were forced to do so..."

Mainly because, in both cases, the territory coincided with a territorial health district (ASL) that also featured an agency for social services; therefore, a large part of the public services was concentrated under a unique sub-regional organization. Therefore, we posit:

P1b: Previous cooperation facilitates the implementation of IMC policies.

The informants provided a very decisive opinion about the importance of the political choice to start the process by using words such as *decisive* and *fundamental*, referring to the initiative of the mayors:

"Let's start with the role of politics: it was decisive and fundamental."

"The political will was absolutely what determined the success of the total transfer [of services] operation."

"The goal was primarily a political goal, based on the vision of the territory as a unitary territory which, due to its characteristics, could and should have been, would

have acquired, as it is acquiring, greater [political] relevance and greater [political] strength."

And suggesting how the timing was also important

"This operation in our area took place over a period of time in which the mayors were basically all... let's say, aligned from a political point of view, they all belonged to the same side."

"Some [of the mayors] were in the first but most in the second phase of their mandate, in the phase of the renewal of the mandate."

Thus:

P1c: The choice of implementing IMC is stronger the stronger the political motives of the Mayors.

P1d: Mayors are more inclined to start IMC in the phase of the renewal of their mandate.

Homogeneity

The interviews revealed the importance of homogeneity and stability for the success of the sharing policy; in both cases, homogeneity was derived from political orientation and shared values. The interviewees highlighted that, in one of the UdC in particular, all the majors of the municipalities member of the UdC belonged to the same political area. In addition, also the personality of the majors has been cited as an essential driver. They also said that the majors had:

"...the willingness to nevertheless arrive at a solution, at a path that would put aside a little bit of particularism."

Therefore, the mayors of the participating municipalities valued cooperation over individualism: this also fostered the possibility of designing and implementing strategic projects involving all the municipalities. Thus:

P2a: IMC is more successful when the mayors value cooperation over individualism.

Political differences among the municipalities involved were associated with increased difficulty in implementing the process: *"without political cohesion, everything is harder"* and achieving long-term results. On the other hand, cohesion is not to be considered fundamental: first of all, we find that in more technical matters, such as personnel management or IT services, the political colour is not particularly relevant:

"Functions such as human resources, IT service, etc... In my opinion, they can function both in a politically monolithic Union and in a more [politically] divided Union."

"Clearly, whenever there is a strong political divide, it is more natural for them [the UdCs] to work in more technical, internal, less politically exposed areas. On the other hand, differences lead to discussion and lengthening of processes regarding social policies and similarly ethical concerns."

Therefore:

P2b: political cohesion is not correlated with the performance of technical sectors of service.

P2c: political cohesion is correlated with the performance of policies regarding ethically sensitive subjects.

The objectives

When asked what the main objectives of sharing services were, the respondents told us an interesting story, somewhat different from what most research on shared services tells. They said that getting additional funds was not the main reason for sharing services. Instead, they were more interested in having a stronger position in the inter-institutional relationships with the higher levels of government (the regional government and the state). Also, they mentioned the possibility of building an organizational structure that none of the member municipalities would have been able to set up, not even the largest municipalities. Thus:

P3a: IMCs are more successful when the mayors value power motives over financial motives.

P3b: IMCs are more successful when the mayors value inter-institutional relationships over financial motives.

Linked to the objectives meant to be achieved through the UdC, the informants emphasized the fundamental role of planning. The choice to have a common planning system and a common approach to planning was complemented by the possibility of allowing each municipality to keep its peculiarity,

"With objectives that can be for everyone and objectives that can only be for some, here... but in short, yes, it was a need that we felt very strongly."

Thus:

P3c: IMCs are more successful when planning balances individual and collective needs.

The strategy

The two UdCs adopted two different strategies. Romagna Faentina described that one of the strategies implemented to achieve the delivery of all the services was to begin with sharing those services that were aimed at supporting the administrative side before starting with the services with a direct impact on citizens. The rationale was that by reinforcing the administrative machinery, it would have been easier to proceed with the joint delivery of the services and to be more able to impact the citizens' life.

"It was thought that by conferring in the first place anyway the services that are for the use of the municipal machine this could promote, which I gather actually was, also the conferring of the functions aimed at the citizenship."

On the other hand, Bassa Romagna decided to share all the services simultaneously: therefore, both the front- and the back end were shared from the beginning, as they worked more on coordination at all levels of services:

"The UdC Bassa Romagna decided to start sharing all the services, including those more directly related to the citizens, acting more on the coordination managed by the UdC...."

Therefore:

P4: IMCs are more successful when the back-end services are shared at the beginning of the agreement.

The results

The main results mentioned in the interviews relate to the additional services that the member municipalities would not have been able to deliver alone, such as home care, the seismic

office, the mobility manager, a management control system, the energy manager, and legal services.

P5a: IMCs allow to deliver of services that would not be delivered otherwise.

Another interesting result was the achievement of efficiency related to human resources. In particular, it was mentioned that, in the face of an increased number of services and, at the same time, a reduction of human resources due to ever stricter national policies of austerity related to public expenditure, the pooling of resources allowed to run a more efficient local service machine. Also, due to the increased scale, another essential benefit of the sharing policy was estimated to be an increase in employees satisfaction and a better valorisation of public servants and their role and career because "*by working hard, you get your hands on things; therefore, you also have the opportunity to grow*":

"From the point of view of the personnel, the advantages are evident because it is possible to establish paths for personnel growth that otherwise could not be done in the municipalities of 5-10 thousand inhabitants."

Thus:

P5b: IMCs allow for personnel growth that would not be achieved otherwise.

The interviewees said that it is difficult to measure the results; we should investigate what the individual municipalities would have been able to do had they not decided to join the UdC in a sort of counterfactual evaluation exercise.

The Citizens' perception

We got two different stories when asked about the citizens of the UdC.

The UdC Romagna Faentina, that decided to begin sharing the back-office services, told us that the citizens did not even realize that the UdC had actually been established, as the citizens did not perceive any change in the way the services were delivered.

On the other hand, the UdC Bassa Romagna, which decided to share all the services from the beginning (except those strictly related to each municipal territory), reported increased satisfaction among the citizens.

The strategy of Romagna Faentina had the big implication of exploiting the (administrative) centrality of the main city, Faenza, while on the other hand, maintaining a strong territorial representation, which apparently was aligned with the goal of not making citizens aware of the change and, as a matter of fact:

The great majority of the citizens weren't even aware of the existence of the UdC

And

This thing of the citizens not even being aware of the UdC... from some perspective, was seen by the Mayors almost as an objective

In a sense, the idea behind these affirmations is that citizens did not notice the implementation of the policy – for better or for worse. They did not complain about a decrease in the level of services, which means that the services were delivered as before. The UdC main changes affected the back office rather than the contact points with the citizens. Thus:

P6a: Citizens of IMCs that begin sharing the back-end services, do not perceive the implementation of the policy.

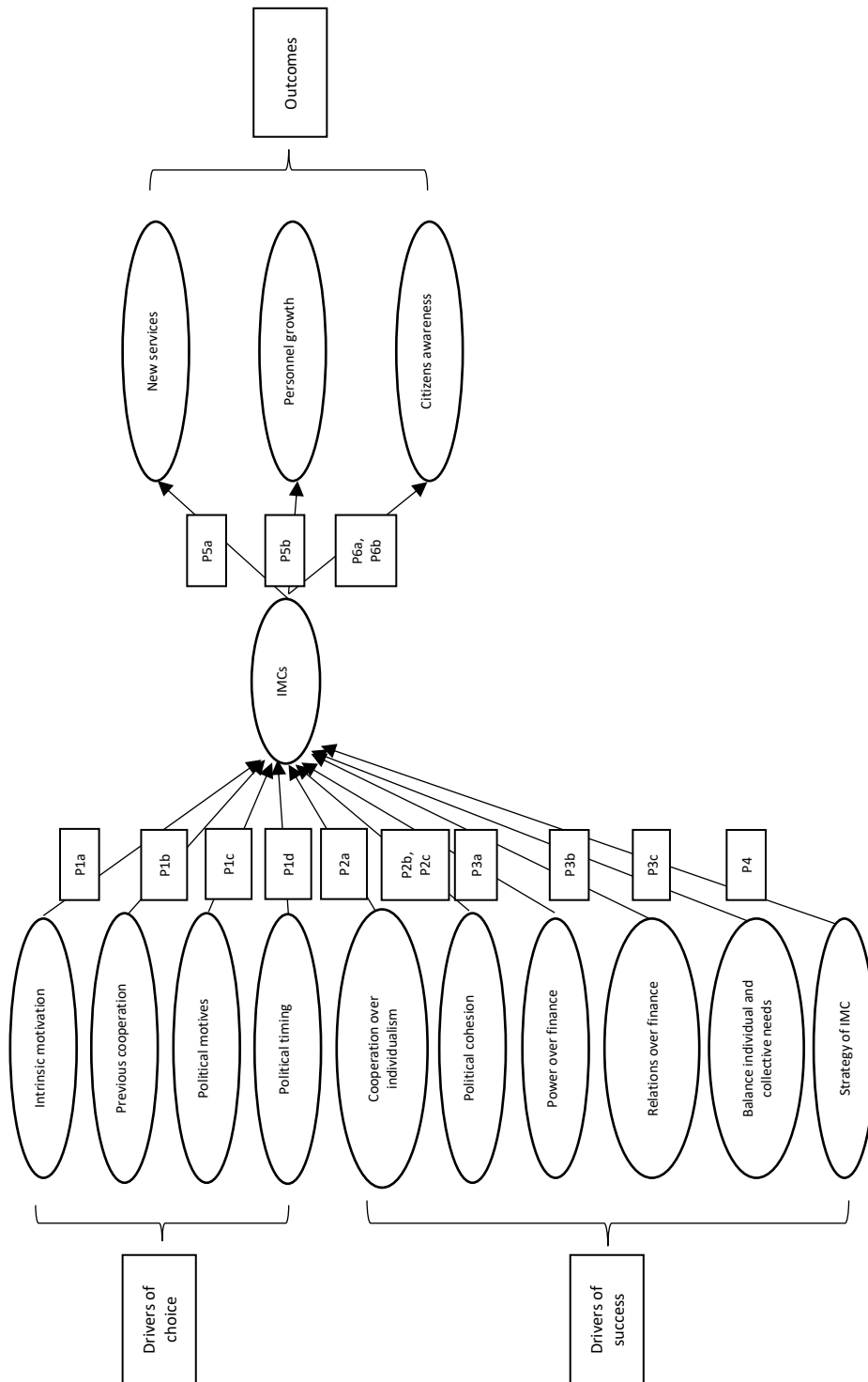
On the other hand, the UdC Bassa Romagna made it clear in the interviews that the relationship with the citizens and especially enterprises was greatly improved by the UdC. However,

no formal investigation of the perceived quality of the services delivered by the UdCs has been made (with the only exception of a one-time citizen satisfaction inquiry made by UdC Bassa Romagna (Unione dei Comuni della Bassa Romagna, 2012). Therefore:

P6b: Citizens of IMCs that share all the services from the beginning show satisfaction with the policy.

Figure 2 shows the model that emerged from the data, and that we propose for empirical analysis.

Figure 2: Theoretical model of IMCs drivers and outcomes



The theoretical model in figure 2 represents the causal inferences that emerged from the data analysed in this study. Starting from the circles, containing the themes that emerged from the

analysis, we formulated causal inferences between the drivers of choice and of success, the implementation of the IMC, and its outcome.

Discussion and conclusions

The two analysed case studies provide two critical examples of elements that have fostered significant and thorough cooperation among different municipalities. We observed that, in fact, there was a concurrence of motives that are rooted in a story of cooperation that started long before. Additionally, a favourable political situation significantly concurred by providing both continuities in the political choices and a common view of the strategic goals to be achieved.

Although it is still early to evaluate the UdCs in terms of duration, with them being less than twenty years old each, we already start to find confirmation of the literature about the correlation between long-term inter-municipal cooperation and orientation towards quality goals over efficiency (Aldag & Warner, 2018).

We also find that this case fits the paradigm of Stewardship Theory, from which perspective the stewards (UdC), through co-occurrence of extrinsic (career benefits) and intrinsic (need to provide for the community) factors, allow for a cooperative delivery to the local society, through the mandate of their principals (the municipalities), while being aligned in the common goal of creating public value.

If one considers that, to the best of the authors' knowledge, these are the only two UdCs, out of the over 500 existing in Italy, that actually provide all the services jointly, these case studies are, nevertheless, an example that this objective can be achieved. The traditional fragmentation of the Italian administrative system in almost 8,000 municipalities and a cultural and social tendency to maintain each municipality's autonomy have brought a limited number of municipal amalgamations. The joint service delivery by a group of municipalities under the umbrella of a UdC

allows the member municipalities to achieve a higher service delivery capacity while keeping their autonomy, which is essential from a social and political perspective.

In this study, we outlined the theory behind the drivers of the success of UdC as a proxy of the success of inter-municipal cooperation at large. Advancement in this thread of research would be to empirically test the above propositions to examine the relationships that emerged from this study and in essence the relationship between political and state tradition and mid- to the long-term performance of inter-municipal cooperation agreements. This could help scholars schematize and measure the performance of inter-municipal cooperation agreements through the lenses of local identity, and practitioners to establish solid foundations on which to base the implementation of such policies.

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Chapter 4

The evaluation of citizen satisfaction with arm's length bodies in local government: a comparative inventory

Virginia Angius and Sandra Van Thiel

Since New Public Management, local governments detached the delivery of services by fostering or creating arm's length bodies, such as autonomised units and private companies. Among the reasons, is their better ability to meet the needs of citizens. Nonetheless, citizen satisfaction is not a common measure of performance. Within this study, we explore the state-of-the-art of citizen satisfaction evaluation of services delivered by ALBs. We find that although present, such initiatives are scarce and fragmented. In a framework of eleven countries, we find that factors such as state tradition and local autonomy play a role in the use of citizen satisfaction by local governments and that some initiatives of CS exist but are characterized by fragmentation of the outputs and lack of connection to policy objectives. We finally discuss the findings and offer new propositions for further research in the field of citizen satisfaction with local services delivered by ALBs.

Introduction

In 1974 Elinor Ostrom already mentioned the importance of citizen satisfaction as a measure of the performance of public organizations. However, citizen satisfaction is subject to debate as a measure of performance in public administration, specifically regarding public service delivery. The reason for this debate is that it is a measure of perception, therefore mediated by subjectivity and subject to cognitive biases (Andersen & Hjortskov, 2016). As a result, most governments tend to prefer financial and numerical data and indexes to understand the performance of public services.

Despite the concerns about the subjectivity of citizen satisfaction it might still be relevant to include it in the performance evaluation of public service delivery though, as citizens' evaluations are based on their real-life experiences. According to the literature (Blaug et al., 2006; Zwick et al., 1995), the primary model used to understand citizen satisfaction is the Expectation Disconfirmation Model, which states that citizen satisfaction is based on the disconfirmation of previous experiences. People base their evaluation on what they have experienced, therefore their satisfaction depends on whether the object of satisfaction or dissatisfaction is above or below the standard they set based on their experience. For example, suppose they only experienced excellent services. In that case, they will be dissatisfied with perfectly good service because it is below their higher expectations. Given this, public administrations can use citizen satisfaction as a measure to achieve a broader understanding of citizen satisfaction with services and to find a way to manage expectations and improve public service delivery.

Citizen satisfaction could thus become a very relevant tool for governments to evaluate services delivered directly and indirectly by sourcing data directly from the users. It could then also become a tool to refine the flow of information between several actors (users, delivery bodies and administrative bodies), thus working towards a stronger relationship, trust and transparency of the delivery process.

While the literature explored the practical benefits and limitations of the use of citizen satisfaction with public service delivery, its real-world use is still limited (Zhang et al., 2022). To reduce this gap, our explorative study has used expert opinions to inductively explore the existence and use of citizen satisfaction as a tool to measure the performance of public service delivery at the local level, by arm's length bodies, in eleven countries. Arm's length bodies are a common practice in local government nowadays. Governments use a variety of such agencies to achieve their policy objectives, as they are increasingly decentralising and outsourcing parts of their activities (John 2022; Van Genugten et al. 2020; Kuhlmann & Bouckaert 2016).

Interviewing experts proved to be a valuable tool to address this topic, because of their specific knowledge and involvement in research in this field (Bogner et al. 2009; Döringer 2021). We used an interpretative approach to answer the central research questions:

If and how does citizen satisfaction serve as a tool for performance measurement of arm's length bodies (ALBs) in charge of public service delivery at the local level? And how can its use (or lack thereof) be explained?

We explore the possible answer to these questions with an inductive study. We do not test hypotheses in this study, nor claim causality. We only claim potential explanatory patterns, based on the results, and propose a set of propositions for further research. For this reason, we start by explaining the inductive methodology; we follow with a brief literature review and theoretical exploration in the second section, where we identify the sensitizing concepts that have guided our analysis, and thus provide a theoretical foundation for the use of citizen satisfaction evaluation by ALBs in local government. The third section will discuss data collection and the inductive process of analysis. We will then present and discuss the results and finally formulate a research agenda and a set of propositions for further research.

Methodology

The processes of data collection, literature analysis and data analysis were iterative, meaning that the literature review was initially broad and intertwined with the analysis itself.

That is why the study's first phase included a broad understanding of the literature about citizen satisfaction with local services from which we derived the sensitizing concepts that led the empirical study. The sourcing was conducted on Scopus by searching "citizens satisfaction local government" limited to the areas of social sciences, business management and accounting, and econometrics.

The use of search terms bound to "local government" helped gather results linked to the local delivery of services, which is the focus of this research. Using the term "citizen satisfaction" alone would result in much non-relevant literature focused on the national or federal level.

The search yielded 20 results, of which only two turned out to be relevant (one uses the Hosier survey and one the European Social Survey). The first author conducted a manual search by backward referencing through the bibliography of those studies, arriving at another 18 articles.

The literature review was then incorporated into the analysis, and it led the study to:

- A further understanding of the degree to which citizen satisfaction is studied in municipal services.
- Analysing the change of trends in the use of citizen satisfaction in the evaluation of public services.
- Drawing a map of the data sources found during the study.

The literature review's main result confirmed the scarceness of the literature on this topic and generated the sensitizing concepts that guided the empirical inquiry that we present in the theoretical exploration section.

Guided by the sensitizing concepts, we then chose to apply an inductive methodology through template analysis of data from interviews with national experts in the field of local government and arm's length bodies. Template analysis allows for the content analysis of part of the data, which results in a coding template (King & Brooks, 2017). The template is then used to analyse the rest of the data.

Given the inductive nature of the research, an explorative and comparative study of the patterns of attitude toward citizen satisfaction in a sample of 11 countries, the flexibility of template analysis provided a safe but explorative background to understand the patterns behind the comparative study of citizen satisfaction with local services in eleven countries.

Data collection

Data collection was made by interviewing national academic experts with active research careers from several countries: Australia, Belgium, Germany, Hungary, Italy, the Netherlands, New Zealand, Norway, Portugal, Spain, and the United Kingdom. Expert interviews have been theorised as a valuable tool of research that allows for investigating a specific field of action (Döringer, 2021). See table 1 for an overview of the experts, their affiliations and their home country.²

Table 1: informants

	Name	Country	Affiliation
1	Dr. Voorn B.	Netherlands	Radboud University
2	Prof. Dr. Van Genugten M.	Netherlands	Radboud University
3	Prof. Dr. Bel G.	Spain	Universitat de Barcelona
4	Prof. Dr. Tavares A.	Portugal	United Nations University
5	Prof. Dr. Andrews R.	United Kingdom	Cardiff University
6	Prof. Emer. Bovaird T.	United Kingdom	Birmingham University
7	Prof. Dr. Kuhlmann S.	Germany	Universität Potsdam
8	Prof. Dr. Papenfuss U.	Germany	Zeppelin University
9	Prof. Dr. Torsteinsen H.	Norway	UiT Norges Arktiske Universitet
10	Prof. Dr. Verhoest K.	Belgium	Universiteit Antwerpen
11	Prof. Dr. Van de Walle S.	Belgium	Katholieke Universiteit, Leuven
12	Prof. Dr. Cepiku D.	Italy	University of Rome Tor Vergata
13	Dr. Asquith A.	New Zealand	Curtin University
14	Prof. Dr. McNeill J.	New Zealand	Massey University
15		Hungary	University
16	Prof. Dr. Kádár K.	Hungary	Corvinus University
17		Australia	University

² Two informants (n°15 and 17) preferred to stay anonymous.

Theory-generating expert interviews are deemed helpful in exploratory studies (Bogner et al., 2009). They allow for gathering concentrated knowledge, providing virtual access to a wide range of internal aspects of a phenomenon while providing hints on where to gather further knowledge and data. Expert interviews, therefore, help shorten the time-consuming process of data gathering and prove the most efficient for the exploratory phase of research. In this paper, expert interviews proved crucial to gather a large quantity of data from a variety of countries, whereas interviewing the employees of the ALBs or public servants or managers involved in the process would have resulted in a less varied range of cases to explore and other obstacles such as language barriers and a narrower scope of each interview, through the lens of the experience of each employee, which would have likely been limited to their experience.

The national experts (table 1) have been selected through purposive sampling to represent different countries. The selection was made through the network of the authors and the experts were chosen on the basis of their curricula and availability. In some cases, experts have been contacted through snowballing. Twenty experts were contacted, of which nineteen agreed to be interviewed. Two could not provide relevant information, and one answered some questions by email, leading to a total of seventeen contributions. All the experts involved were asked for availability to follow up the interview with further questions. Among the seventeen experts, three (from Hungary and Spain) provided additional original manuscripts and notes, that were added to the analysis.

The seventeen interviews were conducted online through Zoom or MS Teams between December 2021 and April 2022 (during the COVID-19 pandemic), except for the one which was conducted via email exchange. Interviews were interrupted at saturation; the external documents (manuscripts, notes) amounted to five.

Data collection and analysis have been iterative – data have been collected until saturation, parallel to the analysis, and concluded when we noticed redundancy in themes. Data including the researcher's notes and memos on top of the experts' manuscripts and *ad verbatim* transcriptions were coded employing the software Nvivo.

The interview guideline (cfr. appendix B) was broad and open-ended, without "right" or "wrong" answers. The guideline included five parts as follows:

- Part 1: general information about the country where the interviewee operates, specifically about the local delivery of services and the presence and characteristics of ALBs.
- Part 2: history and state of the art of the initiatives of evaluation of citizen satisfaction in the country, specifically regarding local services delivered by ALBs.
- Part 3: information about the data about citizen satisfaction available in the country and its availability.
- Part 4: information about the existence of indicators, protocols and regulations for evaluating citizen satisfaction with local services delivered by ALBs.
- Part 5: information about specific cases of use of citizens satisfaction as a measure of performance, in particular, best practices (i.e. municipalities which carried citizen satisfaction evaluation projects)

Analysis of the interviews

The method of data analysis was Template analysis; after we started the data collection, we analysed part of the data to build a template (figure 1, cfr. appendix C) that was then applied to the rest of the data. The content was coded in strings of significance by keeping the semantics strictly connected to the surrounding context (King & Brooks, 2017). The data were analysed

inductively to allow patterns to emerge across the countries without the influence of pre-existing research.

The first phase of the analysis allowed us to formulate the template for concepts. 245 codes were created through line-by-line coding that was associated with themes upon redundancy and is summarised in figure 1, which will be explained in the results section.

Theoretical exploration and sensitizing concepts

The preliminary part of our study was devoted to a theoretical exploration of the relevant literature to identify the sensitizing concepts that guided the empirical part of the study. We started by understanding the main literature about citizen satisfaction and its relationship with ALBs.

Gutiérrez Rodríguez et al. (2009, p. 2, citing Oliver [1980]), define customer satisfaction and dissatisfaction as *"results from experiencing a service quality encounter and comparing that encounter with what was expected"*. Satisfaction is a result of an experience, as opposed to *perceived quality* which depends on *"the customer's judgment about the superiority or excellence of a product"* (Zeithaml 1988 in Gutiérrez Rodríguez et al., 2009, p.2). For what concerns citizen satisfaction in the public sector, the literature does not splurge about it as it does in the private sector literature, even though it is a proxy of policy efficiency (Gutiérrez Rodríguez et al., 2009). It is inherently derived from the marketisation of public administration (DeLeon & Denhardt, 2000). When measured, it is associated with public trust (Welch et al., 2004,) and, on the other end, with information asymmetry between government and individuals (Yamamura, 2012).

Citizen satisfaction evaluation is thus a tool for policymakers to narrow the distance to the public, improve trust and foster citizens' participation. Within these premises, in the next paragraphs, we present the three sensitizing concepts that have been selected to guide the data collection and analysis of this study: the typology of tools used to evaluate CS in local government,

the main theory against the use of CS (expectancy disconfirmation model) and finally the use of CS in the case of ALBs.

Standard tools of assessment of CS of public services

Several tools are used to evaluate public services. One of those, SERVQUAL, is a five-dimensional construct created to measure perceived service quality (Parasuraman et al., 1986; 1988). It is one of the first tools for assessing service quality regardless of the sector of application. SERVQUAL is a 22-item questionnaire based on a five-dimensions model of service quality, administered for the first time in 1985. Although it has been criticized, for example, because of its high level of generalisation (it applies to a wide range of services indistinctly), SERVQUAL is the first and foremost applied method for quality assessment. But more than quality, it measures satisfaction, by demanding customers to recall their expectations and including them in the evaluation.

Another tool was developed by Cronin, Jr. and Taylor (1992): the SERVPERF performance-based questionnaire (for private businesses). Its aim was to overcome the criticism of SERVQUAL, by evaluating the expectations and perception of citizens about the quality of services or products without considering their expectations. This survey tool does have some issues of its own though, as many practitioners do not trust the validity of surveys to measure the intensity of satisfaction (Kelly & Swindell, 2002).

Using surveys to measure citizen satisfaction is criticized for various reasons (Bouckaert & van de Walle, 2003; Cassia & Magno, 2015; Swindell & Kelly, 2000). First, even if expectations are included in the measurement (Van Ryzin, 2004; Van Ryzin & Immerwahr, 2007), it can be questioned to which extent citizens are knowledgeable about public services and have had real-life experiences on which their expectations are based. Second, by measuring only the satisfaction of citizens who did use the service, experiences regarding the inaccessibility of public services or

information about those services are left out and hence also not included in decisions based on the information collected from the survey.

Thus, the first sensitizing concept that guided our analysis regards the *typology of tools used* to measure CS with local services delivered by ALBs.

Main frameworks about the use of CS: Expectancy Disconfirmation Model (EDM) and Experience anchoring

One of the reasons why citizen satisfaction is often dismissed as a performance measurement tool is the subjectivity of the evaluation. Subjectivity creates a bias in evaluation derived from experience, which may impact the priority given to the services by citizens and consequently influence their expectations regarding the performance of those services.

Statistically, to weigh people's priorities regarding the importance of public services, we can rely on two measurements of importance: stated importance and derived importance (Chu, 2002; De Oña & De Oña, 2015). For example, from surveys (Van Ryzin & Immerwahr, 2007), we might infer that citizens account for more critical health, rather than the cleanliness of roads, *just because they said so when asked* (stated importance). The consequence of such an approach would be that managers listen to people's opinions and invest more in what people believe is essential or discard those data in favour of simple performance evaluation (Kelly & Swindell, 2002). Nevertheless, assuming that the cleanliness of roads might be of no importance for residents of a clean street, changes in the expense and policy attention from one service to another might change its level of quality and consequently people's perception not just of the quality of the service, but also of its importance (derived importance). There lies the impact of the experience of citizens on their evaluation of services.

Finally, people's ideas change frequently and largely depend on culture, needs and especially the information they are provided with. Governments should account for this variation

by in-depth analysis of citizens' opinions to provide long-lasting satisfaction data. The conclusion is that surveys, either for measuring perceived importance, level of satisfaction and perceived quality of services, should be integrated with other methods to assess citizens' perceptions, particularly when referring to local government. Although the past two decades have been characterised by an increase in orientation towards citizens' needs as well as the corporatisation of services – including forms of delivery through public and private companies – resulting in a customer-oriented approach to local services, the citizens as the unit of research in this topic are still infrequent. A systematic review by Jakobsen et al. (2019) showed that only 10% of research on public administration uses citizens as the unit of analysis, in contrast with the citizens as a consumer model of New Public Management (Andrews et al., 2011). Within this premises, the second sensitizing concept used to guide our study will be *the theory about CS evaluation* and specifically the extent to which the previous argumentations (and others which should eventually arise through the data) influence the decision of local governments and their ALBs to implement evaluations of CS with local services.

Citizen Satisfaction and ALBs

ALBs are "*organisations which spend public money and fulfil a public function but exist with some degree of independence from politicians*" (Van Genugten et al. 2020, p.139). They are organisations that range from semi-autonomous (i.e. the French "Metropolitan agencies") to private-law-based corporations (municipal companies, foundations). Their goal is to use public money to deliver services efficiently by decentralising the management and creating specialised work units with a high degree of autonomy. The fragmentation and degree of autonomy, influenced by each country's legal context and state tradition, leads to complex and multi-faceted interactions among multiple stakeholders. As a consequence, unclear accountability and increased information asymmetry result in issues with the trust of citizens in their government (Yamamura, 2012). Citizen satisfaction in the context of ALBs is thus particularly relevant.

The concept of ALBs was born from New Public Management to orient public administration towards the citizens as customers. Semi-autonomous agencies are more flexible in adapting to the needs of citizens; therefore, they are a way for local governments to improve satisfaction with the government itself (van Thiel, 2017). ALBs also allow the de-responsibilization of government for the delivery of services, thus “moving the blame” to external bodies (Busuioc, 2013; Hammond et al., 2019). Finally, in some cases, ALBscan is the product of political patronage (Golden, 2003). For these reasons, many governments have hived off service units by creating ALBs (Verhoest et al., 2016), which are now common tools of political governance.

ALBs are organisations which can be differentiated by the degree of autonomy from local government in three types: from the autonomised units of local governments to the case of limited companies and foundations established by or on behalf of local governments (Van Genugten et al., 2020).

ALBs exist in different forms in many countries and go under several names (table 2, Van Genugten et al., 2020). They can be public-law or private-law entities charged with delivering services on behalf of the public administration. In some settings, they are public companies created by the administration itself. They also can be detached departments of the administration, or private companies contracted by the administration. Services such as solid waste management, water provision, and public transport are oftentimes delivered at arm’s length.

Although shaped differently in each country, ALBs have been internationally pushed out by governments as the product of a managerial view of the public sector (Dunleavy & Hood, 1994). Their services exist to fulfil a public service rather than to create profit, but they originate from the marketization of public administration with, as their main feature, the quality to adapt to citizens' needs, with positive spillovers on citizen satisfaction with government. On the other hand, they often exist beyond the control of governmental agents (Armstrong & Jackson-Smith, 2019; Van Genugten et al., 2020).

Table 2: Typology of ALBs in 13 countries

Table 2. Typology of ALBs in 13 countries (Van Genugten et al., 2020 p. 5)				
Type	Definition	Types of bodies at the local level	Examples	
1	Semi-autonomous body, unit or body without legal independence but with considerable managerial autonomy	In-house delivery by 'autonomised' units	Intern verzelfstandig agentschap (BE); Vlastiti pogon (HR); Kommunal entreprenør, Kommunal leverandør (DK); 'business unit' (EN); metropolitan agency (FR); Stadtbetriebe, Eigenbetriebe (DE); Istituzione (IT); Resultatenheter, Kommunalt foretak (NO); Serviços municipalizados (PT); Organismo autónomo (ES); Joint committees (Gemensam nämnd) (SE); gemeentebedrijf, tak van dienst (NL)	
2	Legally independent body with managerial autonomy (in principle public law based)	Inter-municipal companies, public bodies, statutory bodies	Autonomo gemeentebedrijf, opdrachthoudende en dienstverlenende vereniging (BE); Javna ustanova (HR); Kommunale fællesskaber I/S or § 60 selskaber (DK); free-standing/single purpose local public bodies (trust) (EN); Anstalten des öffentlichen Rechts (DE); Communal public establishment, public interest group, cooperative public establishment (metropolis, urban community, community of communes) (FR); public budget organisation (önkormányzati költségvetési szerv), Local Governmental Association (önkormányzati társulás) (HU); Azienda Speciale, Consorzio (IT); Interkommunalt selskap (NO); Metropolitan areas, comunidades intermunicipales, intermunicipal associations (PT); Consorcio, Mancomunidad, comunidades de municipios, asociaciones de municipios (ES); municipal federations (Kommunalförbunden) (SE); openbaar lichaam obv WGR (NL)	
3	Body established by or on behalf of the local government such as a foundation, corporation, company or enterprise (private law based)	Limited companies, foundations	Extern verzelfstandig privaatrechtelijk vormgegeven agentschap (BE); Trgovačko društvo, Zaklada (HR); Kommunale aktieselskaber A/S, offentligprivate aktieselskaber A/S or ApS (DK); municipal companies Companies Act) (EN); GmbH (DE); société anonyme, société d' économie mixte (FR); corporate enterprise (önkormányzati gazdasági társaság), Local Governmental Cooperative (önkormányzati szövetkezet) (HU); Società per azioni, Fondazione (IT); Aksjeselskap (NO); Empresas municipales, intermunicipales e metropolitanas (PT); Entidades públicas empresariales, Societades mercantiles públicas, Fundaciones públicas (ES); Aktiebolag, Stiftelser (SE); overheidsvennootschappen, stichtingen (NL)	

Therefore, citizen satisfaction with services delivered by ALBs could be a tool for governments to measure the performance of services delivered by those bodies, as well as to steer their action and guarantee the representation of citizens in the delivery of services even when they are externalized. It follows that our third sensitizing concept will be the evaluation of CS with services delivered at arm's length, as carried out by local governments.

Results

The study was divided in three phases: first, a broad analysis of the literature review, which accompanied the overall data analysis, showing the degree to which citizen satisfaction with ALBs has been studied in academic environments. The main result of phase 1 was the mapping of data sources retrieved through the literature, to the benefit of further research.

In the second phase, we use template analysis to analyse the data from the interviews. In phase 3, we apply the template to the rest of the data and we present the final results.

In the next section, we present the results of the first phase and provide a framework of sources of data about citizen satisfaction. We then follow through with the process of thought that accompanied the first analysis of the interviews (phase 2) and that resulted in the framework (template) that was constructed with the themes that emerged from the interviews and their interrelationships. In phase 3 the template was applied to the rest of the data: there we finally present the overall results of the interviews.

Phase 1: an overview of data sources about CS

Based on the literature, a schematisation was made of data sources on the measurement of citizen satisfaction with local services, which are available for consultation and analysis in the countries under study. Before we discuss the findings, it should be noted that data are often available but are not used for decision-making and, in general, they are rarely analysed. On the one

hand, as was confirmed during the majority of the interviews, there is a lack of researchers in the field of ALBs and, consequently, research on the subject. For example, the German informants argued:

"Few researchers in general study service delivery agencies in Germany because of their hybrid public-private nature."

"the basic information is: I also don't know much about it, but I would say that that's a good sign".

Germany

For this reason, we compiled the following list, based on the literature, the interviews, and the desk research, to provide researchers and practitioners with a hint on where to find data about citizen satisfaction with local services (Table 3).

The literature review shows fragmentation in the use of citizen satisfaction as a performance measure. We found thirteen references through desk research and backward tracing from journal articles, for a total of sixteen databases.

Table 3: sources of Citizen Satisfaction data

DOI/Link	Country	Description
https://doi.org/10.1111/gove.12207	EU	The article draws on data from the European Social Survey and an expert survey about delegation of tax and police services to semi-autonomous agencies in 15 countries
https://doi.org/10.1007/s11205-014-0599-5	EU	Data drawn from European Social Survey
https://doi.org/10.1016/j.electstud.2014.03.006	NL	Using data collected within the scope of a Dutch internet panel survey (LISS) in 2011, this study tracks public support for direct, stealth and representative democracy according to educational level.
https://doi.org/10.1080/01900692.2015.1029132	NO	Uses data from Norwegian Citizens Panel, Study on Municipal Organizations, official register of Local Entities (Brønnøysundregistrene) and Statistic Norway (SSB) they investigate the effects of inter-municipal cooperation on the satisfaction of citizens for the services of waste management and fire
https://doi.org/10.1111/j.1754-7121.2002.tb01858.x	CA	Three citizens surveys in Halifax are used to assess the impact of amalgamation of the police service in the perception of citizens
https://doi.org/10.1080/03003930.2019.1615465	CA	The 1999 Halifax Regional Municipality (HRM) Citizen Survey is used here to study citizen responses to a municipal amalgamation that created the Halifax Regional Municipality
https://doi.org/10.1177/0275074013516670	USA	Hoosier survey (survey to the inhabitants of Indiana) is used to understand the perception of citizens about the change in service quality following the implementation of tax caps on property taxes.
https://doi.org/10.1111/1467-8500.12117	AU	They investigate the relationship between population size and citizens satisfaction (to determine the ideal municipal size, in alternative to the relationship cost-size). Uses Annual Community Satisfaction Survey data for Victorian local government
https://doi.org/10.1016/j.cities.2012.02.006	CA	Telephone survey to 542 people, respondents were asked to assess the quality of municipal services (scale) and also if they perceived that the quality changed since the amalgamation
https://doi.org/10.1111/j.1754-7121.2005.tb01599.x	GE	Two studies, citizen's satisfaction and a comparison between german cities, through two surveys conducted online
https://doi.org/10.1080/01900692.2015.1029132	NO	Multilevel analysis combining data from the Norwegian Citizens Study, Study from Municipal Organization, the official Register of Legal Entities (Brønnøysundregistrene) and Statistics Norway
https://doi.org/10.1080/14719037.2012.725757	UK	Place Survey (conducted in local governments in 2008 and later published by the Department of Communities and Local Government) was used to measures citizens' perceptions with local councils.
https://www.productivity.govt.nz/	NZ	New Zealand productivity commission issues report and data about a variety of topic including citizens satisfaction with local services
https://gemeente-stadsmonitor.vlaanderen.be/	BE	City Monitor that collects data about the flemish municipalities by a three-yearly citizen survey
https://www.unipotsdam.de/de/lspotsdam	GE	Action aimed at address the issue of fragmentation of information by establishing a set of comparative knowledge on public sector
https://opendata.cbs.nl/statline	NL	Developed by Association of Dutch Municipalities (VNG) and Statistics Netherlands. Statistics Netherlands collects data from municipalities about facilities under the Social Support Act (Wmo).

Database	Author	Year	Title of the study (if applicable)
European Social Survey	Sjors Overman	2017	Autonomous Agencies, Happy Citizens? Challenging the Satisfaction Claim
European Social Survey	Diaz-Serrano, Rodriguez-Pose	2014	Decentralization and the Welfare state: what do citizens perceive?
Lissdata	Coffe, Michels	2014	Education and support for representative, direct and stealth democracy
Norwegian citizens panel	Holum, Jakobsen	2016	Inter-Municipal Cooperation and Satisfaction with Services: Evidence from the Norwegian Citizen Study
Survey on Municipal Organization			
Statistics from the municipal reporting register			
Halifax Citizens survey	McDavid	2002	The impacts of amalgamation on police services in the Halifax Regional Municipality
Halifax Citizens survey	Dale H. Poel	2000	Amalgamation Perspectives: Citizen Responses to Municipal Consolidation
Hoosier Survey	Taylor	2015	Property Tax Cap and Citizens Perception of Local Government Service Quality: Evidence from the Hoosier Survey
Council Community Satisfaction Survey	Drew, Dollery, Kortt	2015	Can't get no satisfaction? The association between community satisfaction and Population size for Victoria
Telephone survey	Kushner, Siegel	2005	The citizen's satisfaction index (CSI): evidence for a four basic factor model in a german sample
Citizens Satisfaction Index	Zenker et al	2013	Citizens satisfaction with municipal amalgamations
Statistics Norway	Marthe L. Holum & Tor G. Jakobsen	2016	Inter-Municipal Cooperation and Satisfaction with Services: Evidence from the Norwegian Citizen Study
Place Survey	Rhys Andrews & Steven Van de Walle	2012	New Public Management and Citizens' Perceptions of Local Service Efficiency, Responsiveness, Equity and Effectiveness
New Zealand Productivity Commission	N/A	N/A	N/A
Gemeente Stadsmonitor	N/A	N/A	N/A
COST action	Kuhlmann, Bouckaert, Schwab, Magli, Guilfoyle	N/A	COST – Local Public Sector Reforms: An International Comparison (LocRef)
Municipal Social Domain Monitor	N/A	N/A	N/A

Table 3 shows the results of the literature review. We collected information from academic studies which involved the use of data about citizen satisfaction with local services in several countries. We find that not many studies were conducted, and in a couple of cases, they used primary data that were not made available to the public. In some other cases, they availed open-source data or data available upon request, that is not frequently used. One of the main sources of

data about CS is the European Social Survey (ESS) (Diaz-Serrano & Rodríguez-Pose, 2015; Overman, 2017) which is listed in the Registry of Research Data Repositories (re3data.org). ESS is accessible through a data portal and was used by the authors of the two cited studies to explore the perception of citizens regarding decentralization and the use of autonomous agencies in the European Union. Similarly but on a smaller scale, the Hoosier survey was used in two studies to evaluate the perception of citizens with local services in Indiana. Other local surveys are run in New Zealand (Productivity Commission), Australia (Citizens Experience Survey, Council Community Satisfaction Survey), the Netherlands (Municipal Social Domain Monitor and LISS), Norway (Norwegian Citizen Panel, Survey on Municipal Organization and Municipal Reporting Register, Statistics Norway), Canada (Halifax Citizens Survey), and the Belgian region of Flanders (Gemeente Monitor). We also found two works based on primary data: Andrews and Van de Walle 2013 conducted the Place Survey in 2008, which measured citizens' perceptions with local councils, but was not repeated. Similarly, in Germany, Zenker et al. 2013 developed the Citizen Satisfaction Index (CSI) through two surveys that were conducted online comparing the satisfaction of the citizens of four German cities, though it was not repeated as well. Another German initiative, the COST-action aimed at addressing the issue of fragmentation of information by establishing a set of comparative knowledge on the public sector (Kuhlmann & Bouckaert, 2016), was interrupted as well.

Phase 2: template analysis of interviews

The second part of the research started with the collection of interviews and their analysis aimed at building a conceptual framework (template) to then apply to the rest of the data. The purpose of the template is to make sense of the main topics that started to emerge from the interviews and purposefully analyse the rest of the data with the additional guidance of the template (King & Brooks, 2017).

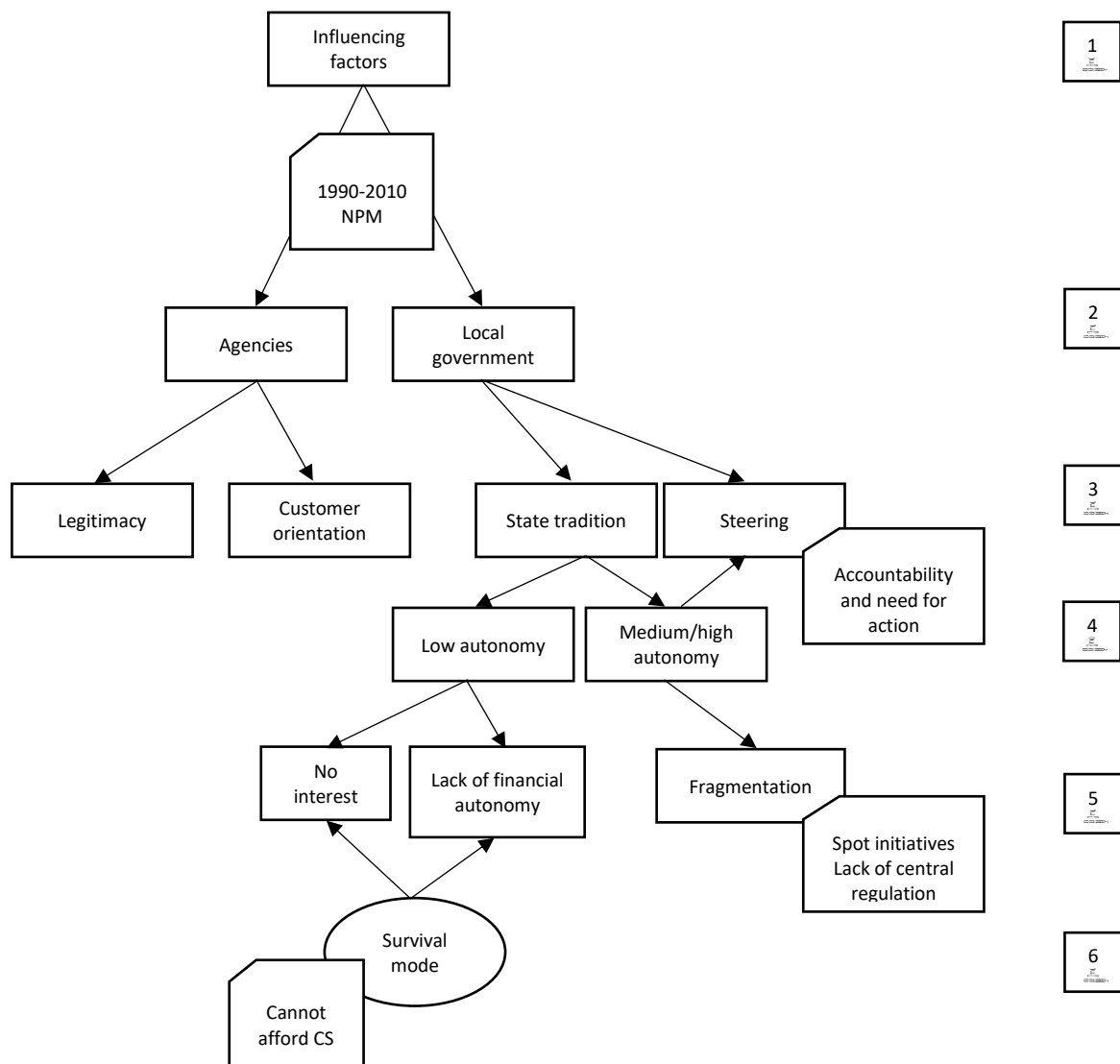


Figure 1: template of the analysis

Figure 1 shows the template formulated during this phase of the analysis. First, (fig.1, lev.1) we find that influencing factors of evaluation of CS, depend on the nature of the service provider: direct delivery by the local government, or delivery through the agency (fig.2, lev.2). In both cases though, we find a rise in the initiatives of evaluation of CS around the years 1990-2010, which we associate with the implementation of New Public Management policies by all the countries involved

and the general shift towards a managerial mindset, as expressed, for instance, by Italy and Hungary:

In 2009 there was this project of the emoticons, [...] those totems that still exist

Italy

I recall there used to be some in the first. You know, as I said in 2012, there used to be a level of enthusiasm, even among the central government.

Hungary

During this period, we find a rise in the creation of agencies as a tool to “de-bureaucratize” the delivery of service, as well as to create competition for the services to benefit from market dynamics:

Then the idea arises we could establish a new arm’s length body, a local corporation, digital unit which has other payment opportunities which can be more attractive, and more dynamic, for the working environment

We need a level playing field, how they call it, a fair competition between private and public and enterprises

Germany

The increased corporatization was accompanied by the need for performance measures and occasional measures of citizen satisfaction. The initial enthusiasm decreased following the Global Financial Crisis, and the austerity that followed. The new policies involved increased control of the agencies, especially from the financial point of view. We find this, especially in Spain, where in 2013 the public sector underwent a financial reform:

In 2013 there was passed what was called a law of rationalization of the public sector. And in this law in 2013, this law established stronger constraints to create and maintain public agencies and public firms.

As a consequence, corporatization, which had been on the rise for the century decreased after 2013

Spain

In some cases (Hungary, New Zealand, United Kingdom), the decrease in the policies of evaluation in general, and of citizen satisfaction in particular, was associated with conscious moves to restrict the dissemination of performance information by the central government

I don't want to overstress this, but actually [...] the philosophy of, and practice of government since 2010, [...] in the initial years there were some efforts [...] to really restrict, some sensitive, politically potentially sensitive information, but to provide information which is not sensitive.

Hungary

The word sensitive in this quote is associated with information related to public performance, especially in a period associated with the heavy restructuring of the sector.

Despite the changes in trends associated with the corporatization and public sector reform, we find that the reasons behind the choice of CS-related evaluation are of a different nature depending on the actor delivering the services (fig.1 lev.2).

On the one hand (fig.1 lev.3), agencies use tools of evaluation, specifically CS, for reasons of legitimacy and customer orientation:

So they really feel a need to to improve and know if they perform badly

The agencies also collect data and that that is a way of reporting to municipalities on their performance.

The Netherlands

On the other, municipalities use data for steering and control:

So maybe they use this information in the steering relationship

The Netherlands

But at the same time, there is a misalignment between their need to control the agencies and their ability to act on their actions:

Maybe the municipalities feel the need to improve, but then they would need the agencies to improve and not them to improve.

The Netherlands

This causes an accountability deficit, not just for the delivery of the service but for its evaluation as well. In fact, as mentioned earlier, ALBs are a way for governments to detach themselves from the services. As a consequence, it is often unclear whether the accountability for the services and for their evaluation falls on the government or on the ALB that delivers them.

We also find that there is a difference in the use of CS depending on the level of autonomy of municipalities (fig.1 lev.4 and 5): when municipalities enjoy a higher level of autonomy (e.g. in Germany), we find a higher level of evaluation initiatives – which is correlated to a higher level of fragmentation due to a lack of general guidelines as well.

Unless there are some provisions by the state, this is quite rare in general cities, municipalities, and local governments decide on their own within the framework of organizational autonomy.

There was very little comparative data across Public agencies, so the comparative element was lost.

Germany

there's no general regulation, it might be, for example in the performance contract that agencies have with their municipality, there is something all regular surveying citizens about satisfaction. But it's very scattered, [...] it's rather seldom.

Belgium

On the other hand in municipalities with low autonomy (especially New Zealand and Hungary), where the delivery of services is centralized, we find that although municipalities might be interested in evaluating performance and specifically CS, they find themselves without the (human, financial) resources to do so, and eventually the lack of motivation due to their inability to act on the services (fig.1 lev.6). They eventually blame the central government for that.

One of the biggest problems is that the government simply doesn't understand local government. It's something that's there to be tolerated.

New Zealand

The first analysis of the data from the interviews does not give much weight to two of the three sensitizing concepts that emerged from the theoretical exploration.

First of all, none but two informants dived into the typology of tool used to evaluate CS: all interviewees mentioned a fragmentation in the evaluation of CS, and the scientific tools that emerged in the literature (Servperf, Servqual) were mentioned in only one of the interviews (UK). In another interview (Italy), the informant explicitly mentioned the emoticon-based evaluation, which is still in use in some settings but which the informant associated with high bias (*"it's often used by municipalities where things go well"*) as a confirmation strategy. In most cases, if data are collected, we expect surveys to be most commonly used, as was demonstrated by the literature review as well. For this reason, at this stage of the study, we decided to avoid going into much depth about which kind of tool is used, since the heterogeneous nature and specifics of each tool used goes beyond the scope of this explorative study.

Secondly, in most of the countries analysed we find some kind of evaluation, and in all of them, the experts agreed on the importance of citizen satisfaction as a tool for local governments and their ALBs, especially to build trust and as the foundation for co-creation of value. In some cases, citizen satisfaction was considered beyond the scope of local governments for reasons such as the lack of autonomy of local governments or the lack of resources. Therefore, since none of the informants mentioned any reason against the use of citizen satisfaction as a tool to evaluate performance, we deviated from the sensitizing concept regarding the reasons against the use of CS (i.e. the theoretical framework provided by the expectation disconfirmation model).

The third sensitizing concept was the use of measuring CS with public service delivery by ALBs, and we decided to orient the research towards this aspect. We then explored, through the interviews, the state of the art of CS evaluation and its use (or lack thereof). In fact, at the beginning of the study, we assumed that citizen satisfaction is not valued or almost avoided. This assumption was revealed to be untrue according to the data we collected; on the other hand, we find that the initiatives of CS evaluation are fragmented and not-at-all systematic. We find several public and private initiatives to collect data about CS, but such data often ends in a void: they are not analysed or when analysed, the results are not used for performance management, decision making and dissemination.

A weakness of these (CS assessment) projects is of doing customer satisfaction, doing participative evaluation, but after you collect the data nothing changes.

Italy

But actually, as far as I understand, it's pretty common this phenomenon of data collection that ends up in some data warehouse, and nobody, ever (uses it)

United Kingdom

We thus followed up this finding by exploring possible explanations for the phenomenon of CS satisfaction evaluation in local government (see phase 3 below).

Phase 3: citizen satisfaction evaluation in local services and ALBs

In phase 3 of this study, we moved from a broad description of the findings to a tentative explanation of what is going on with CS evaluation with local public services by ALBs. Here we deduce four propositions that could be tested empirically in future research (summarized in table 4).

The interviews covered eleven countries, of which nine were in Europe and two were outside of Europe. The first part of the interviews was devoted to allowing the interviewees to describe the service delivery framework specific to their countries. All the countries presented mixed delivery forms for local services, including direct delivery from municipalities, externalisation, and both single-municipality delivery as well as inter-municipal cooperation.

Autonomy

In terms of local autonomy, two clusters could be formed countries with an orientation toward centralization (Hungary, New Zealand, United Kingdom) and countries with an orientation toward autonomization (Belgium, Germany, the Netherlands). A third cluster was made of countries with a mix of local, regional and national regulations of local services (Australia, Italy, Norway, Portugal, and Spain). Results in this sense were confronted with the data provided by the Local Autonomy Index and were found to be consistent (cfr. fig. 2).³

³ At least for the countries which are included in the computation of the LAI. As showed in fig.3, Australia, Hungary and the United Kingdom have a lower autonomy index for 2020, compared to Belgium, Germany, Italy, the Netherlands, Norway, Portugal and Spain.

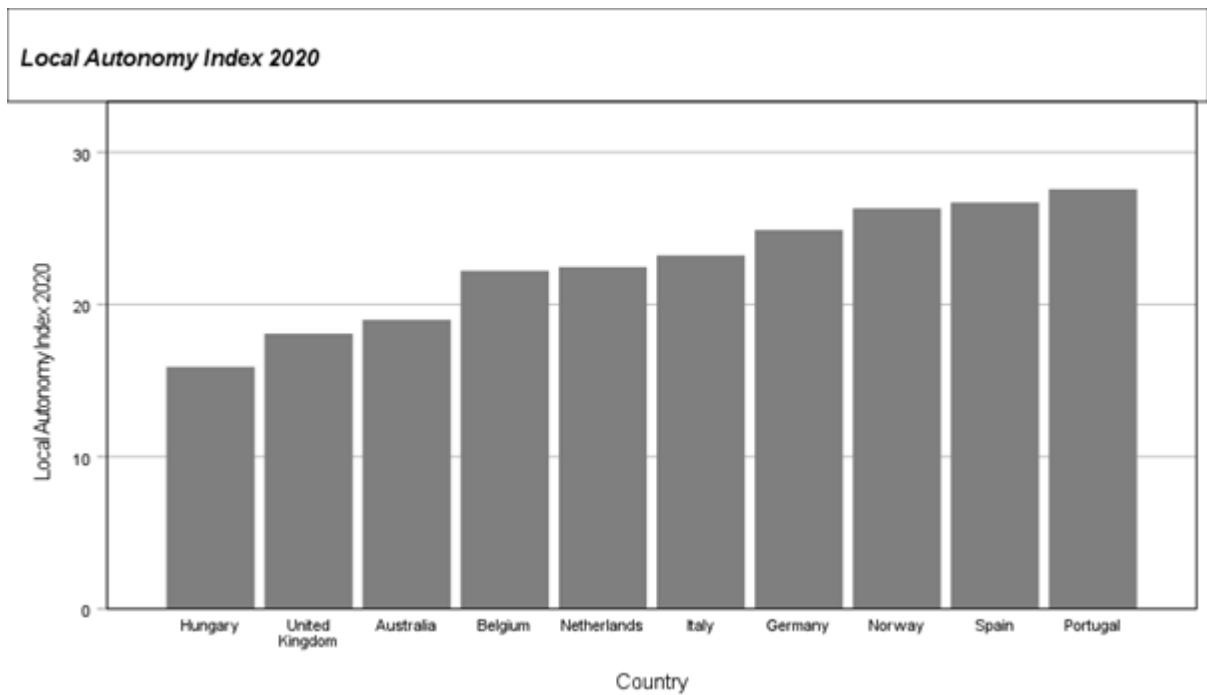


Figure 2: Local Autonomy Index for the Countries of this study. Authors elaboration with data from (LAI, 2020)

Countries, where local government entities have low autonomy, were found to have the least interest in citizen satisfaction and evaluation. This lack of interest was explained by the country experts with two main arguments. First, municipalities have a low level of control and ability to act – therefore they are not able to implement solutions to improve or maintain citizen satisfaction with local public services.

Even if they wanted to do something about citizen satisfaction, If you are struggling for your life [...] then probably you will not introduce any ambitious measures to, you know, to measure and manage satisfaction and so on.

Hungary

Secondly, a lack of resources causes the local administration to be in "survival mode", seeing citizen satisfaction measurement as an extra that they could not afford.

Even if local governments were interested in something, their ability to do things is extremely limited.

Hungary

From this result we draw the proposition:

P1a: The more the autonomy of the local government, the more the local initiatives of citizen satisfaction evaluation.

On the other hand, countries, where local administrations have higher degrees of autonomy, were found to have a higher interest in understanding citizen satisfaction. However, the experts mentioned only sporadic initiatives to measure citizen satisfaction and integrate it into performance management. Moreover, these countries lacked national regulations or initiatives.

The federation in Germany, which is at the national level, and the federal level, has no direct powers of intervention towards the local level.

Germany

Therefore data, when present, are not collected systematically and are not comparable across the national territory:

There isn't a continuous database over a longitudinal period of time for any given local authority or social care organization or whatever. And secondly, because they're used mainly to inform the inspections they are marketing data, they're not being used internally to manage improvements in the service.

United Kingdom

We are a parochial lot and individual governments at all levels like to control their own patch.

Australia

Plus, in most cases, the data are only used internally and are not accessible to the general public. In some cases, municipalities expect data to be collected by the ALBs, for the municipality to control the ALB's performance (steering strategy). Those cases are rare: because of the level of

autonomy of many ALBs and the uncertain accountability, public entities do not have much control over the activity of ALBs. Thus:

P1b: The more autonomy of local government, the fewer national initiatives for citizen satisfaction evaluation.

At the same time, most data is not scientific enough to be used for research purposes:

They're not reliable. I'm embarrassed about this. You know, much of the citizen satisfaction work which has been done in the last 20 years in the UK. It's very crude and very unreliable.

United Kingdom

Timing

In all the countries analysed, we find that there has been a shift in the use of CS measurement that coincided first with the implementation of NPM policies and a few years later with the impact on the public sector caused by the Global Financial Crisis.

All of that was swept away in 2010 when the Cameron government, the conservative, liberal coalition government, or 2010, came into power and an infrastructure for exploring citizen satisfaction was swept overnight.

United Kingdom

In fact, we find both an increase in the number of ALBs and of the interest in citizen satisfaction following the rise of NPM (with its citizen-as-consumer mindset). Thus:

P2a: New Public Management caused the increase of initiatives of evaluation of citizen satisfaction with services provided by ALBs.

Such increase was rapidly followed by an increase in the regulation of public services, including those delivered by ALBs, and a decrease in CS initiatives, which seems to have coincided with the Global Financial Crisis and subsequent austerity, which implied extensive cuts in the expenses of the public sector:

P2b: Public interest in citizen satisfaction decreases after cuts in public expenditure.

At the same time, we find that governments with the tendency to centralize the management of local services are also actively interested in limiting the evaluation of CS and the dissemination of information about it. This phenomenon, which we coded as *blue-pencilling* (the action of deleting part of a text in order to censor), was attributed to the intent of avoiding the blame for low-level services and dissatisfaction among citizens:

People would be angry, dissatisfied, and publishing such information would undermine the credibility of the government.

United Kingdom

and from there:

P2c: The lower the local autonomy, the lower the national interest in citizen satisfaction

Use of data

We assumed at the beginning of this study, that ALBs would be more interested in citizen satisfaction because of their need for efficiency and customer orientation. On the other hand, we do not seem to find any correlation between the form of delivery and the inclination towards the evaluation of citizen satisfaction. We also find that ALBs are not interested in CS more often than local governments, and when they are, data and results are often unavailable to the public, or biased towards positive reporting.

What do they report? If they only mention slight pieces, it's not possible to use it for scientific purposes

Germany

If we go and see the quality of the indicators... there is a bit of everything!

Italy

The agency says what it wants to say in the board and does not always give all the information.

Belgium

Most of the research that I've conducted is always with data that I either I personally collect through surveys, or the ones where... there there is a national dataset of some sort where the information is collected.

Portugal

Therefore, we posit:

P3a: CS is not more likely evaluated for services delivered by ALBs

P3b: Data about CS evaluated by ALBs are not available as often as CS evaluated by local governments

Fragmentation

Finally, we find that the evaluation of performance, including measures of citizen satisfaction, varies a lot across sectors as well as regions:

I should stress this, there are significant, there is significant variation, in terms of sectors. For example in terms of the water sector you find the best indicators of performance, also because we have a regulatory body at the national level that requires them so for example if you want to report

Portugal

For instance water in solid waste are mostly regulated at the regional level. So you can still find regional variations in regulation.

Spain

Therefore:

P4a: The number of initiatives of evaluation of citizens satisfaction are influenced by the kind of service

And it's also not consistent depending on politics:

And they change quite often so sometimes they can't carry on with such initiatives because as soon as the party changes they dismantle everything

Norway

Thus:

P4b: Changes in politics influence the consistency of implementation of CS evaluation

P1a	The more the autonomy of the local government, the more the local initiatives of citizen satisfaction evaluation
P1b	The more the autonomy of local government, the less national initiatives of citizen satisfaction evaluation
P2a	New Public Management caused the increase of initiatives of evaluation of citizen satisfaction with services provided by ALBs
P2b	Public interest in citizen satisfaction decreased after cut in public expenditure
P2c	The lower the local autonomy, the lower the national interest in citizen satisfaction
P3a	CS is not more likely evaluated for services delivered by ALBs
P3b	Data about CS evaluated by ALBs are not available as often as CS evaluated by local governments
P4a	The number of initiatives of evaluation of citizens satisfaction are influenced by the kind of service
P4b	Changes in politics influence the consistency of implementation of CS evaluation

Table 4: Propositions

Discussion and conclusions

This study explores the use of citizens satisfaction evaluation in local services delivered at arm's length bodies by answering the question of *if and how citizen satisfaction serves as a tool of performance measurement of arm's length bodies (ALBs) in charge of public service delivery? And how can it be explained?*

The inductive process of answering the research question led to two types of results: the first laying out a description of the sources of data available in such countries that could be used by researchers - and practitioners – to carry out empirical research about the satisfaction of citizens

with local services, and the second providing information about the use of citizen satisfaction evaluation initiatives in eleven countries.

We constructed the database (table 3) starting with the desk research and the literature and government resources for each country, and we integrated it with the information provided by the experts' interviews. The three courses of research – desk research, literature review, and expert interviews – were jointly fundamental to this scope, especially to overcome the language barrier, which would have limited results if based only on national resources.

Thus this research contributes to the theory about the use of citizen satisfaction evaluation by governments, as well as to the field of research per se, by providing the key to unlocking the fragmented world of data regarding citizen satisfaction with local services.

Finally, this study sets forward a research agenda by highlighting four propositions for future research based on the results of this study.

The main contribution to theory from this paper is that there has been a process of change that generally shifted the attention of governments from citizens to efficiency. The implementation of NPM policies around the beginning of the 2000s coincided with a newly found interest in the citizens, a perspective of "citizen as consumer", and therefore, the use of citizen satisfaction as a proxy of policy and service effectiveness. The Global Financial Crisis (GFC) and the consequent austerity measures adopted worldwide coincided, on the other hand, with a decrease in the number of initiatives for evaluating citizen satisfaction. The focus of governments shifted from the "citizen as consumer" mindset to austerity and efficiency. Many local governments entered into "survival mode", not having the resources to implement citizens' evaluation initiatives, which are considered an extra on their budget.

The use of ALBs is strategic to the achievement of efficiency. Although it is expected that, especially private law ALBs, would have a consumer mindset, in the case of local services, their presence is not always associated with customer satisfaction analysis.

This exploratory study raised several questions that should be addressed in further research and are presented here as propositions. The original research question is, *if and how does citizen satisfaction serve as a performance measurement tool of arm's length bodies (ALBs) in charge of public service delivery? And how can it be explained?* led to several new propositions that could be tested empirically.

Figure 3 shows the conceptual model that emerged from this study, and that could be empirically tested in further research. We suggest to empirically testing, in particular, the impact of the level of autonomy on the interest in CS by local governments. We also suggest testing the impact of such interest on the number of initiatives implemented to evaluate CS with local services and to assess the impact of external factors on such initiatives such as, for example, blue-pencilling and the existence of central regulation about the evaluation of CS in local government.

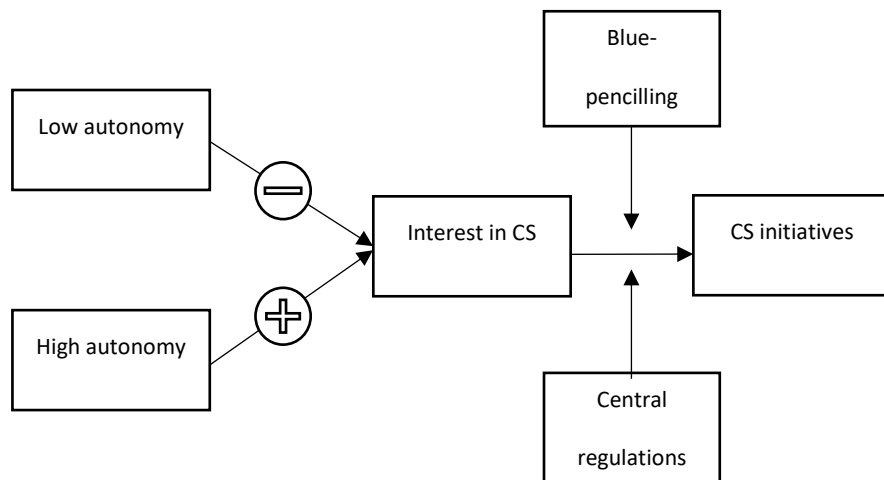


Figure 3: conceptual model of the impact of local autonomy on CS evaluation

First of all, we find extremely fragmented information about CS and local services, especially delivered by ALBs; we also find that oftentimes data about CS are collected but not used by local governments, researchers and agencies alike (with the sporadic exception of marketing).

In particular, we find a correlation between the state tradition and the presence of citizen satisfaction evaluation initiatives, particularly in the case of the level of autonomy of local government, whether high (as in Germany) or low, with centralised national coordination (as in New Zealand). It would be interesting to empirically understand whether the level of autonomy of local government has a positive impact on the public initiatives of evaluating citizen satisfaction (the higher the level of autonomy, the higher the presence of public initiatives of evaluating citizen satisfaction, proposition P1a, b).

Consequently, it would be advisable to understand the potential correlation between the level of autonomy of local government and the private initiative of private law ALBs in the evaluation of citizen satisfaction as well as on the presence of regulations and standardised measures of citizen satisfaction.

Moreover, we find the most significant change in policy orientation at the time of the adoption of NPM by the country and at the time of the GFC. It would be advisable to test empirically whether those changes have had a positive impact on either public or private initiatives of evaluating citizen satisfaction and primarily to address the shift in policy orientation in correlation with the activity of ALBs regarding the evaluation of citizen satisfaction.

Finally, recent strands of research (Osborne et al., 2016) highlighted the importance of the role of citizens and of their involvement as not just passive recipients or customers but active members of the community; nonetheless, several experts in this study reported that the inclusion of citizens is highly fragmented and subject to political and cultural waves. More research needs to be done to analyse the discourse on the use of citizen satisfaction in local government to provide practitioners with a solid framework of tools, benefits – and limitations – of the study of citizen satisfaction with local services.

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Conclusion

This inductive study started with a question about the ways in which the performance of local shared services can be evaluated and eventually focused on the use of citizen satisfaction as a measure of performance. The main conclusion, which emerged since the literature review and throughout the three papers, is that the performance of local services and, in particular, of shared services carries a complexity that requires not only sophisticated tools for its analysis but, in particular, a consideration for the environment in which the services are delivered, including but not limited to citizen satisfaction and local culture.

The use of an inductive approach allowed to shed light on new aspects of the field that were not highlighted so far, such as the influence of state tradition on the success of IMC and the gap between the collection of data about citizen satisfaction with local services and its use. Through the course of three studies developed during the past three years, we started from a general assumption that the expected benefits of shared services are mainly related to financial savings and discovered that the community in which sharing policies are developed plays a big role in the development of sharing initiatives and their success.

First of all, we began the study with a broad question: *How do we measure the effectiveness of sharing policies?* From this question, we started an inductive journey to gather in-depth insights from the experience of practitioners and researchers on local government studies.

We found in the literature that although the expectations linked to shared services are usually related to financial savings, more could be learned from the way such policies are developed and especially how their performance can be assessed in light of their environment and of the citizens' perspective, within the framework of the co-creation of public value. From there, we inductively moved through two empirical studies: first, a case study of "successful" IMCs, where we found that although savings are sometimes achieved, the main benefits of sharing policies can be associated with economies of the process, implementation of new services and personal

development of the civil servants. We also found that local culture and state tradition play a big role in the effectiveness of such policies, and that citizen satisfaction is deemed important but, nevertheless, almost never evaluated.

We then moved on to understand the extent to which citizen satisfaction is considered and used as a measure of the performance of local services. Starting from the assumption that most local services are delivered by external bodies, we developed a research based on expert opinions. Here we found a big influence on culture and state tradition on the way citizen satisfaction is considered and applied in local services, and we developed propositions for further research in this field.

We contributed to the field of local government by providing an in-depth insight into the evaluation of local services and especially local service-sharing policies, first of all by contributing to the theory about shared services and also by providing a research agenda made of propositions for further research about the use of citizen satisfaction as a measure of performance and about the drivers of success of inter-municipal cooperation. Using an inductive approach, we were able to fill the gaps that are sometimes left by deductive studies by highlighting areas of interest in the field of local governments while building new theory.

We contributed to the theory by providing two conceptual models: one about the causal relation between the drivers of success of inter-municipal cooperation and their outcome, and one about the use of citizen satisfaction as a measure of performance of local services. We also found a causation between the success of inter-municipal cooperation and the framework of stewardship theory, by showing that the success of inter-municipal cooperation is partly due to the stewardship mindset of its implementers.

We eventually provided two orders of practical outputs for researchers and practitioners: first, we provided a series of propositions rooted in data, that could be tested in future research.

Secondly, we compiled a dataset of citizen satisfaction sources that can be used by researchers and practitioners to further investigate this field.

This study presents some limitations. Given the inductive nature of the study, not counting on a random sample of informants, some aspects of this research might still be inaccurate. Although qualitative studies do not aim to be representative, we find that further research could complete and strengthen the causal inferences made here.

Secondly, conducting qualitative research in the field of Public Administration carries some limitations of its own. We found it challenging to reach out to practitioners and researchers in the field and had to rely on snowballing and word-of-mouth for data collection. Future authors could integrate this research to allow for better generalizability of the results.

Among our recommendations, we suggest further research to empirically test the drivers of the success of sharing policies. In fact, we found that sharing policies are deemed to be effective only in the presence of certain factors (among which: cultural tension towards cooperation, the inclination of the mayors towards the interest of the citizens and aims of inter-relation with local and regional authorities); future studies could focus on digging in these aspects, to understand more about the best possible conditions to apply and implement sharing policies.

On the other hand, we found that citizen satisfaction's role in evaluating local services is deemed important but, alas, understudied. We found that data about citizen satisfaction is often collected but not analysed. We also found that there might be a causal relation between state tradition and, in particular, the degree of autonomy of local government and the use of citizen satisfaction as a measure of performance. Future research could be done in this sense: to explain the gap between the collection of data and its use (or lack thereof) and to test the correlation between the level of autonomy of local government and the interest towards evaluating citizen satisfaction.

Appendix

Appendix A: interview guideline for the researcher (ch. 3)

Object of the interview: learning about the story of the UdCs, their process of creation, benefits, and criticalities, etc.

Approach: narrative (let the informants tell their stories)

Preliminary explanations: deciding how to contact our interviewees to explicitly describe the purpose of the research, explain to them how we identified them and why we will ask certain direct questions, possibly justifying the fact that we record the conversation.

A. General approach

1. Constitution of the UdC

a. Year of establishment of the UdC

b. How many municipalities have been part of it and since when (e.g., if some joined or left after the foundation)

c. Are the current municipalities belonging to the UdC the same as the founding municipalities?

d. Qualitative characteristics of the territory? (e.g.: positioning, traffic, etc.)

2. Characteristics of the transfer of functions (from the data in our possession we see an almost total transfer in 2018)

a. How many functions have been transferred to the UdC?

b. What functions have been transferred? And in what percentage? (How were the individual activities/services constituting the functions transferred?)

c. How long does the planning for the transfer of functions take?

d. How did the transfer process go?

And. Was there a common “lead partner” who managed the process?

f. Have there been any structural changes (e.g., relocation of human resources, establishment of new offices, etc.)?

g. Were politics and administrations (regional and local) supportive of the change process? How? What have they done? What kind of support did they provide? (e.g., have incentives been provided in favour of change? Or, for example, at a communicative level in mediation with citizens)

h. Have the municipal bodies been maintained? And if so, what functions do they perform?

i. Once the functions (or individual services) have been transferred, what role does the individual municipality play within the UdC?

3. In the transfer of functions/services, what happens to the employees and to the structure to which they belong?

4. What are the reasons that led you to the form of the UdC of Municipalities compared to other local collaboration agreements (e.g. conventions) or outsourcing (e.g.: public-private partnership)?

5. How much did the possibility of obtaining grants influence the decision to progressively transfer all the functions? Were there any regional or national contributions? What were they mainly intended for? What do you think this distribution is based on?

6. What reasons prompted you to provide the services in an associated form?

B. Understanding the results of the constitution of the UdC from a managerial point of view

1. Are performance measurement techniques in place? Which ones and at what level of detail? (e.g.: periodic reports made by officials, internal questionnaires, etc. as well as territorial public accounts)

2. Have specific training activities been implemented for executive and managerial staff? With what results?

3. What results do you think have been achieved following the establishment of the UdC?

a. Have you noticed a change in the way the service is provided? What services? (There could be some services that lend themselves more to associated assistance, others less so)

b. Likewise, was it possible to notice a change, following the transfer, in the effectiveness of the services? What services?

c. Has there been a change in spending?

d. To what should these changes in related services be attributed?

C. Role and involvement of citizens

1. Do you think that citizens are overall satisfied?

2. Were measures taken to measure citizen satisfaction before and/or after the start of the union? And before and after the transfer of each function?

3. Do you believe that both the entry into the union and the transfer of each function have led to a change in the relationship between the institution and the citizen (e.g.: the daily relationship, or if the distance between the institution and the citizen has shortened or lengthened) ?

4. How do you think the relationship of trust between municipalities and citizens has changed following the transfer of functions to the Union?

Conclusion: benefits, critical issues, and future prospects

5. In terms of benefits, is it possible to summarize the advantages, disadvantages and any critical issues deriving from the associated provision of services?

6. In terms of criticalities encountered, is it possible to summarize what were the obstacles encountered in the process of transferring functions?

7. From your point of view do you think that this process of transfer of functions can be considered exhaustive? What could be done further?

8. Are the results you have achieved measured through indicators based on tangible objectives? If yes, which ones and according to which criteria?

9. Would you be interested in participating in Union of Municipalities training seminars in the near future?

10. Would you be available for a possible follow-up of this interview?

11. As part of our research we intend to disseminate a questionnaire for the collection of further data to all the unions of Italy and we would like to know if we can count on your participation.

Appendix B: interview guideline for the researcher (ch. 4)

Object of the interviews: finding country-specific information concerning the availability of data and/or information about citizens satisfaction and particularly about their satisfaction with public services delivered at arm's length and inter-municipal companies

Step 1: ice breaker: Local service delivery and ALBs

Introduce the topic and ask about government bodies in their country, specificities, things that are not clear about local government and arm's length bodies.

Step 2: state of the art of evaluation of CS in local services

Does citizens' satisfaction get measured in your country?

And if yes, how?

Do practitioners issue reports of citizens satisfaction?

What about academic research?

Maybe these arm's length bodies measure citizens satisfaction but what happens to those data is a mystery. Do they give them to municipalities?

Omnibus survey: do municipalities carry out any? What data is in there?

Step 3: data availability

What data, if any, is available about citizens satisfaction with public services?

And what about citizens satisfaction with public services delivered by agencies?

Step 4: focus of the analysis: indicators, protocols and practices

Are there any common indicators of citizens satisfaction?

Is there a standard protocol or practice at the national level?

Step 5: Citizens' relationship management

What gets measured gets managed: is citizens relationship managed at all in your country?

If yes, how?

If no, why?

Is relationship management based on the data about citizens satisfaction?

Can you suggest any best practice or cases to investigate?

Appendix C: codebook (ch.4)

1. Timeline	Changes correlated to a specific time or change (i.e. implementation of NPS, Global Financial Crisis)
1.1. Blue-pencilling	Describe the conscious governmental effort to limit the evaluation of pa and dissemination of information about pa
1.2. New rationalisation and re-shaping of pa	Describes the new effort of government to re-shape the pa while controlling the creation of public agencies and regulate the existing ones, by implementing financial regulations
1.3. State of the art-citizens orientation	Describes the most recent shifts in the use of citizens satisfaction's evaluation
2. Characteristics of CS as a performance tool	Describes the characteristics of CS as a performance tool, including benefits and limitations
2.1. Benefits of CS as a perf meas tool	
2.1.1. CS possibly leads to participation and cooperation	
2.1.2. Data might be used by municipalities to steer agencies	
2.1.3. Participative evaluation	
2.2. Citizens' perspective	Describes the expectations and actions of citizens regarding services, for instance the fact that they choose state or private services upon convenience, but expect the state to always provide for them.
2.3. Limitations of CS as a perf meas tool	
2.3.1. Citizens satisfaction as tool of npm	
2.3.2. Citizens should be informed before evaluation	
2.3.3. Cs is a limited tool	
2.3.4. Cs only works in some services	
2.3.5. Evaluation is weakened by lost of contact with users	
2.3.6. Information asymmetry	Information asymmetry (government-agency or government-citizen) has been described as an issue

2.3.7. Measurements should be connected to objectives	
2.3.8. Need for participative evaluation	
2.3.9. Need for updates to regulations of evaluation	
2.3.10. Positivity bias	Describe the phenomenon of use of data specifically to show good performance to citizens and other stakeholders, either from governments or from albs.
2.3.11. Quality of indicators disputable	
2.3.12. Standards exist but are not updated nor applied	
2.3.13. The relationship between sector and citizens is dominant over sector-municipality	
3. Culture and state tradition	Describes the emphasis on the impact of culture and state tradition on the way services are delivered and on the way their performance is assessed, especially regarding the view of the citizens by the government (therefore the use of citizens satisfaction evaluation)
3.1. Autonomy	Level of autonomy as emerged from the interviews
3.1.1. Low	
3.1.1.1. Corona aggravated the independence of local governments	
3.1.1.2. Extreme limitations of local governments preclude any possibility for spontaneous action	
3.1.1.3. Informal influence over local government by politicians (close to central government)	
3.1.1.4. Lack of control on local govt	
3.1.1.5. Local authority have been harshly limited	
3.1.1.6. Local government seen as a nuisance	

3.1.1.7. Local government were hostile to centralisation	
3.1.1.8. Local governments do not have the resources to deliver some services	
3.1.1.9. Most of services in hungary are centralised	
3.1.1.10. Researchers cannot do research freely	
3.1.1.11. Scope of hungarian local government reduced in the past 12 years	
3.1.1.12. Services managed by regional holdings	
3.1.1.13. Since 2010 change in autonomy of local government	
3.1.1.14. The government in hu created quasi-ngo	
3.1.1.15. Transparency	Transparency has been regarded as an issue in regards to the quality of delivery of services
3.1.2. Medium-high	
3.1.2.1. Accountability	Describes the level of responsibility for which the municipalities are accountable for
3.1.2.2. Direct regulation	Describes the level of central regulation on high-autonomy municipalities
3.1.2.3. Indirect regulation	
3.1.2.4. Regions have different approaches	
3.1.3. Community size	
4. Delivery form	
4.1. Centralisation	
4.2. Cooperation	
4.3. Corporatization-agencification	
4.3.1. Contracting and externalisation is more efficient	
4.3.2. Corporations	
4.3.3. Energy is distributed by public and private companies	

4.3.4. Just for the sound	
4.3.5. Large public firms may have executive and managerial boards	
4.3.6. Limitations	
4.3.7. Partially public firms - gov does not hold majority	
4.3.8. Public firms - gov holds majority and control	
4.3.9. Public firms can be fully or partially gov-owned	
4.3.10. Public firms have municipal representatives on their boards	
4.3.11. Public firms have nuanced governance issues	
4.3.12. The distinction between perspectives depend on dimension and number of agencies	
4.4. Mixed delivery	Cases where the delivery form depends on factors such as services, finance, etc.
4.4.1. Delivery form depends on service (i.e. Competition)	
4.4.2. Governance of services depends on sector	
4.4.3. Service delivery form depends on financial resources	
4.4.4. Service delivery form depends on strenght of the city	
5. Fragmentation	
5.1. Government is fragmented	
5.2. Lack of competences	
5.3. Large cities sometimes implement CS evaluation systems	
5.4. Little systematic evaluation	
5.5. Local initiatives	
5.6. Politic discontinuity	
5.7. Some service branch organisation research citizen satisfaction	
6. Gap in research	Research gaps that emerged from the interviews
6.1. Data are not used by politicians	

6.2. Focus on financial aspects	Regards the perceived prevalence of finance and efficiency oriented studies over those that focus on outcome and effectiveness of the services. Refers to both academic research and corporate/government research.
6.3. Gate keepers/reviewers are not informed on topic	
6.4. Little interest in the subject	
6.5. Need for systematic evaluation	
6.6. Need more research in pa to be competitive internationally	
6.7. No empiric studies	
6.8. Ongoing discussion on citizen satisfaction - energy sector	
6.9. Scientific gap explained because of hybridity of local agencies	
6.10. We need international comparison of information about local performance	
6.11. We need scientific information	
7. ALBs	
7.1. Benchmark companies	
7.2. Branch organisations (only for some sectors)	
7.2.1. Association of municipalities	
7.2.2. Companies association take care of the interests of corporations	
7.2.3. The perspectives of the municipalities and agencies are different	
8. Use of data	Describes how the available data is used, the benefits and the limitations
8.1. Availability	Describe the degree of availability of data (from not available to open source)
8.1.1. Available	
8.1.2. Not available	
8.1.3. Per request	
8.2. Positives	Positives of citizen satisfaction assessment highlighted in the interviews
8.2.1. Agencies use the data to improve if they perform badly	

8.2.2. Citizen satisfaction evaluation is performed	
8.2.3. Application of common assessment framework	
8.2.4. The agencies collect data to report to municipalities	
8.3. Negatives	Explores practical limitations to the use of data, i.e. Asymmetry in accountability between the entity accountable for the service (local government) and the one that deliver it
8.3.1. Agencies report on performance are not scientific or accurate	
8.3.2. Gap between data collected and its use	
8.3.3. Independent surveys are not scientific or accurate	
8.3.4. The municipalities would use the data to know where to improve but then the agency needs to improve, not them	
9. Cases and BP	Case studies and best practices that emerged from the interviews
9.1. Agencies struggled because of covid so no action for performance evaluation	
9.2. Case of bremen	
9.3. Case of ludwigsburg	
9.4. Case-company that integrate citizens	
9.5. Corona digital transformation need new services	
9.6. Corona situation impacts research agenda	
9.7. Corona situations led to new services delivered by agencies	
9.8. Digitalisation	
9.9. Ongoing discussion in germany about the need of public vs private companies	
9.10. The city of barcelona measures citizen's satisfaction	

9.11. Ukraine conflict impacts on energy prices	
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