Between democracy and management: local government and the dilemma of spoils system. An analysis of the UK model.

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Pavia, October 2011
N. 3/2011
www.ea2000.it
www.economiaaziendale.it
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Abstract
The article analyzes the status quo of the use of spoils system in local government and highlights a theoretical model for the application of spoils system, labelled “competitive spoils system”. This model - based on UK experience - mixed up democratic, meritocratic and managerial concerns and is characterized by extended responsibility for appointments, independent regulation, open competition and an appointment process clearly on the public agenda and on civic accountability.

Keywords: spoils system, politics, administration, public management, local government

1 – Introduction

The relationship between elected officials and unelected officials is the cornerstone for understanding the governance process in public administration (Hansen and Ejersbo, 2002). As Pollitt and Bouckaert wrote (2002: 183), public administration cannot be properly understood without making reference to the vital relationships that exist between politics and administration.

Thus, the relationship between politics and administration has been highly debated in literature since Wilson (1887) and Weber (1922). As Dunn and Legge Jr. pointed out (2002: 402), practitioners and scholars continue to puzzle about this relation because they have not reached consensus about what Aberbach and Rockman (1988: 606) call the proper “meshing” of elected and unelected officials in an optimal mix in democratic governance.

However, differing analysis of the relationship between politics and administration have not represented theoretical thought alone, as they have prompted the development of diverse institutional arrangements (e.g., Hutchcroft, 2001: 39; Mortitzen and Svara, 2002: 55-56).

For example, with the aim of introducing spoils system mechanisms, in Italy some regulatory initiatives were driven by the desire to reformulate the relationship between politics and administration.

These reforms have broadened the autonomy of local government in fiduciary appointments, creating new positions (e.g. the role of City Manager) and explicitly granting the political body the option of acting on the organization by means of fiduciary appointments for some managerial roles. As a result, a distinct type of spoils system has emerged, which some authors have labelled an Italian spoils system model (Vandelli, 2000: 1211; D’Alessio, 2007).

1 With the term spoils system we intend the practice of political appointments, consisting in assigning temporary positions in the administrative structure of public organizations. These temporary positions are usually related to the political mandate (five years). It should be pointed out that we refer only to managerial roles by which spoils system may be applied. Therefore, we excluded from our argumentations the political roles (Members of the Cabinet, the so called “Giunta”) where the spoils system is also applied.

2 Italian spoils system model cannot be considered comparable to the American spoils system model (see Peters, 2004) because it has several different facets:
The spoils system is a “hot topic” in public administration and it recalls issues that deal with the foundations of the public administration.

As Plato already wrote in “The Republic”, there are many dilemmas in preserving an effective function of governing; in particular, spoils system deals with the democracy vs. bureaucracy dilemma (e.g. Pasini, 2007) of the main “Founding Fathers” of public management: as a matter of fact, “on the one hand we want democratic control of the bureaucracy, but on the other hand we want the bureaucracy to be impartial” (Weber, 1922; Wilson, 1887).

The use of spoils system has recently received growing attention for different reasons:

- the diffusion of New Public Management ideas and practices has prompted towards some organizational trends that have widened the opportunity for political appointments (Peters and Pierre, 2004; Pollitt and Bouckaert, 2002);

- the centrifugal processes of “hollowing out” (Rhodes, 1994), agenciﬁcation (Verhoest et al., 2004; Egeberg and Trondal, 2009), “unbundling” (Pollitt and Talbot, 2004) and “ unravelling” (Hooghe and Marks, 2003) of the State have increased considerably the places where spoils system is exercised (Skelcher, 1998; Vibert, 2007), like for example: municipal corporation (Grossi and Reichard, 2008), local quango3 and other local spending bodies (Payne and Skelcher, 1997), executive agencies, public corporations, independent regulators, National Health Service (NHS) bodies.

However, the rise in many European countries of these new forms of organizations in the public governance ﬁrmament brings the focus on some issues, like for example the increased opportunities for party patronage (Manzetti and Wilson, 2007) in this “twilight zone” of government (Seidman, 1999), the representative aspects of the public appointments systems (McTavish and Piper, 2007: 147) and the managerial and organizational implications embedded in the use of spoils system (Sancino, 2009).

Spoils system has pros and cons, but is visibly one organizational link between politics and administration that need to be managed. However, despite the relevance of this issue, the system for monitoring, regulating and reporting on the way in which appointments in public organizations are made is a relatively neglected area of public management (McTavish and Piper, 2007: 146).

Therefore, the need arises to study effective and ﬂexible organizational mechanisms able of regulating the application of the spoils system in order to safeguard democratic, meritocratic and managerial concerns.

Accordingly, the paper has two aims: a) to discuss the status quo of the use of the spoils system in local government4; b) to present - in a lesson drawing perspective (Rose, 1991) - a theoretical model for the spoils system application based from the UK experience (e.g. Denton, 2006; Flinders, 2009).

The paper is divided into four paragraphs: in the second one it is presented a theoretical background about the relationship between politics and administration in public organizations; in the third paragraph it is highlighted the empirical background of spoils system application in Italian local government, with some limited comparisons with other European Countries; in the fourth paragraph it is presented the UK case of the “Commissioner for public appointments”, that has been selected according to its relevance, uniqueness and data and information richness (Yin, 1999); finally, in the fifth paragraph some issues are discussed and the model labelled “competitive spoils system” is presented.

### 2 - The relationship between politics and administration: theoretical background

As mentioned above, the relationship between politics (politicians) and administration (bureaucrats or managers) may be considered one of the most critical intellectual issues in public administration (Svara, 2008: 46).

In particular, scholars and practitioners have debated so long on some theoretical schemes and roles developed by the literature (e.g. Ligouri, Sicilia and Steccolini, 2009). Here, we report the most relevant.

Putnam (1975) identiﬁed two possible logical categories to describe the role and standpoint of bureaucrats: the “classical bureaucrat” and the “political bureaucrat”5. “Classical bureaucrats” focus on proce-

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3 With the term local quango we intend a “quasi autonomous non governmental organization” to which local government has devolved power and financial resources in order to pursue a public purpose (Payne and Skelcher, 1997).

4 We have chosen the local government level because it provides a useful setting for examining political-administrative relations, rendering this phenomenon more accessible and visible than other levels of government (Svara, 2006: 1065). At the same time, according to the literature (e.g. Amado, 2001; Carbone, 2008; Van Thiel, 2008) there is a lack of studies on the spoils system at this level.

5 With regard to the European Chief Executive Officers (CEOs) of local government, Klausen and Mag-
are in competition and are rivals due to their different “adversarial model”: the bureaucrats and politicians regarding administrative matters; d) “functional model”: co-partnership between politicians and bureaucrats based on specific administrative matters; e) “adversarial model”: the bureaucrats and politicians are in competition and are rivals due to their different competences; e) “administrative state”: the bureaucrats dominate the decision making process and the role of the politicians tends to be limited to giving their approval.

Summing up, every models, images and roles above described may be located – although in different positions – in a continuum grounded over the dichotomy model from one side, and the complementarity model from the other side (Svara, 1999; 2001).

The dichotomy model (e.g. Weber, 1922; Wilson, 1887) is based on a clear distinction and hierarchy of labour between politicians and managers. The politician acts as a sovereign representative of political values and interests, while the manager is seen as the subordinate ‘expert advisor and policy executor’, whose major concern is efficiency.

Politics and administration, in the dichotomy model, serve distinct purposes. As Demir and Nyhan wrote (2008: 82), politics is a process by which disagreements and conflicts are worked out; this process of politics ends with laws and policies through legislation. In this perspective, the purpose of politics is to provide political guidance through the “mission” and “policy” dimensions of the governmental process (see Svara, 1985: 228).

On the other side of the governmental process, there are the last two dimensions: “administration” and “management”, whose principal responsibility lies in translating value choices into concrete results. Specifically, in the “administration” and “management” spheres, managers are called to apply special knowledge and skills in order to provide neutral competence to the policy process. In this understanding of the dichotomy, “administration lies outside the proper sphere of politics” (Wilson 1887: 210).

Going from the dichotomy model to the complementarity model, Svara (1998; 2001) has described the complementary nature of politics and administration in the governance of public organizations, theoretically systematizing the interaction between politicians and administrators in an intertwined way, where two distinct and partially separated sets of officials come together to shape the all governmental process.

He argued that recognizing the interdependent relationship between elected officials and administrators should lead to a model of complementarity rather than dichotomy (Svara, 1998). In particular, he discerned two dimensions: political control and professional independence. The control dimension refers to the capacity of politicians to set directions and maintain oversight, while the independence dimension focuses on the opportunities that bureaucratic professionals have to assert their perspectives in policy formulation and to adhere to their professional standards in implementation.

In this perspective, understanding the complementarity view of the relationship between politics and administration is useful in order to conceptually locate the role of spoils system.

As a matter of fact, as before mentioned, one of the stickiest questions discussed in literature is how to guarantee that democratic preferences can be aligned
with administrative action, preventing power over appointments from becoming an instrument for submitting the administrative structure to political agreement according to loyalty rather than the selection criteria based on merit (Carboni, 2008: 1).

Spoils system is indeed a contested device in democratic societies. To this regard, some authors have pointed out that almost all civil service systems have some level of political involvement in personnel-related issues that is considered appropriate (Peters and Pierre, 2004: 2), also because greater political commitment may energize the civil service in a way that may not be possible with a more neutral public service (Peters and Pierre, 2004: 11).

From the same perspective, other authors have emphasized that although politically-based appointments may undermine impartiality, it does not necessarily lead to partisanship or clientelism (Van Thiel, 2008), and argue that political control over bureaucracy may strengthen the trust between the political and administrative sphere and increase managerial accountability and responsiveness via the power of political appointment (Carboni, 2008).

Conversely, some authors have written also about the problematic side of spoils system, highlighting: a) how appointments may be used to reward certain groups or individuals, to gain public support and stay in power (Manzetti and Wilson, 2007) and lead to old and new forms of patronage or clientelistic practices (Müller, 2006).

3- The relationship between “politics and administration” and the use of spoils system: empirical background

In the Italian context spoils system is applied in local government for different managerial roles. In terms of “outside local government”, spoil systems may be applied for board members of municipal corporation and local quangos. The most recent survey of the Italian Court of Auditors has found a number of 5860 organizations that are participated by Italian local government. On average, municipalities under 5,000 inhabitants participate in 4 municipal corporations or local quangos; this value goes up until 21 for municipalities over 100,000 inhabitants. Unioncamere (2008) has estimated a number of 22,809 board members appointed by Italian local government.

The growth of local public enterprises or local quango is a general trend around Europe: for example, in Germany there are 12,432 local public enterprises out of a number of about 12,300 municipalities; in Norway there are 2,552 local public enterprises out of a number of about 450 municipalities (Statistics Norway, 2009); in UK, Wilson and Game (2006: 17) have estimated a number of about 5,000 local quangos out of a number of about 480 local authorities. Again, considering not only the local ones, but all the quango, according to Massey and Pyper (2005), in UK around 30,000 people serve on these boards, with responsibility for substantial amounts of public expenditure.

In terms of “inside local government”, in Italy several managerial roles may also be activated by spoils system.

Indeed, according to T.U.E.L (The Italian Local Government Act), every local authority may introduce external and “highly specialized” managers (art. 110) and external collaborators hired with fixed-term contracts to support political governance bodies (art. 90). The last survey conducted in all Italian local government by the Italian Minister of Interior has counted a number of 1823 external highly specialized managers and a number of 1537 external collaborators in 2007.

Another managerial role that falls into spoils system application is the role of Chief Executive Officer. The Chief Executive Officer may be appointed by the Mayor; now, in Italy, 352 Municipalities and...
53 Provinces have introduced the role of Chief Executive Officer.

Spoils system in Italian local government concerns also the "Committee for Performance Assessment". As a matter of fact, Italian local government may introduce committees composed by external experts for assessing performance of manager and employees, usually three members: in Italy, there are 6.552 “Committee for Performance Assessment”.

These data demonstrates the empirical relevance of spoils system application. Nonetheless, there are no many studies in the literature about spoils system application at the local level. Main results highlighted (Amado, 2001; Sancino, 2009); the low level of openness and competitiveness in the appointment process; political parties considerations often prevail over meritocratic principles in the appointment process; the executive political bodies appeared generally incapable of using the spoils system as an organizational and managerial tool; finally, elected bodies have difficulty to guarantee an effective oversight of appointments.

4 – The UK experience: towards a new model of spoils system?

The role of “Commissioner for Public Appointments” (CPA) has been introduced in UK since 1995. This body regulates the processes by which Ministers make appointments to the boards of national and regional public bodies13. The CPA is appointed by the Queen and is independent by the Government. The role of the CPA is to monitor, regulate and report on public appointments. However, it should be noted that the task of the CPA is not to make the appointments, but to ensure that the relevant Ministers appoint people on the basis of merit, after a fair, open and transparent selection process and also considering the principles of effectiveness, efficiency and equality of opportunity.

The CPA’s work is based on seven principles: 1) Ministerial responsibility: the ultimate responsibility for appointments rests with Ministers; 2) Merit: all public appointments should be governed by the overriding principle of selection based on merit, by the well-informed choice of individuals, who through their abilities, experience, and qualities, match the needs of the public body in question; 3) Independent scrutiny: no appointment shall take place without first being scrutinized by a panel that must include at least on "Independent Public Appointment Assessor".

These Assessors must obtain an accreditation by the CPA and their work is to scrutinize each stage of the appointments process; 4) Equal opportunities: departments should sustain programs to promote and deliver equal opportunities principles; 5) Probit: board members must be committed to the principles and values of public service and perform their duties with integrity; 6) Openness and transparency: the principles of open government must be applied to the appointment process, its workings must be made transparent, and information must be provided about appointments made; 7) Proportionality: the appointments procedures need to be subject to the principle of "proportionality"; that is, they should be appropriate for the nature of the post and the size and weight of its responsibilities.

According to CPA’s guidelines, the appointments process is run by a government department on behalf of Ministers. In every appointment process, the panel of examiners must produce a list of at least two "appointable candidate", possibly in a hierarchical order of preference. The CPA plays also an overall audit on the work of the “Independent Public Appointments Assessors” and on the compliance of every appointment process with the Code of Practice. The Code of Practice is a summary of best practices and serves as a reference for the principles and actions to be followed in the appointment process. The audit function of the CPA is implemented by investigative actions (the so called “mystery shopping”) and by a meticulous collection of information which come together in an annual report.

Mystery shopping actions are based on surprise inspections, where an inspector of the CPA asks to the panel members to report how they handled the appointment process and to provide all the documentation produced. Anyone can complain about a particular appointment process: in this case, the management of the complaint is returned by the CPA to the department which has run the practice, with the obligation to respond promptly. If the CPA is not satisfied with the answer, he/she may intervene by requesting all the documents and hearing the parties involved. If a failure occurs, the CPA cannot change on the outcome of the appointment process; instead, the CPA’s sanction against non-compliance behaviour by departments is essentially negative publicity and moral suasion. The CPA can use ‘naming and shaming’ powers through naming specific departments in the annual report and going before select committees and the media. According to the early results, it has served as a ‘culture shock’ to departments that were

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13 The CPA’s remit covers over 10,000 appointments to health bodies and executive non departmental public bodies (NDPBs), advisory NDPBs, public corporations, nationalised industries and the utility regulators.

14 Now the CPA is Sir David John Normington. He previously served in the British Civil Service as the Permanent Secretary of Department for Education and Skills from 2001 to 2005, and then the Home Office until 2011.
used to anonymity, providing an incentive for offending departments to ensure that the Code of Practice is adhered to for future appointments (Denton, 2009: 499). To this regard, considering the number of complaints received in 2009 (1.9 % of the appointment process), the system seems to work.

5 – Conclusion

The paper has described the growing relevance and centrality that spoils system has in the governance of public organizations. In this perspective, the UK experience demonstrates how spoils system may be effectively managed and re-interpreted in order to combine meritocratic, organizational and democratic issues.

As a matter of fact, the CPA goes beyond the traditional spoils system and moves towards a competitive way of using spoils system, outlining a new model, very different from the traditional one.

Table 1. Alternative models of spoils system

<table>
<thead>
<tr>
<th>Models of spoils system</th>
<th>Traditional spoils system</th>
<th>Competitive spoils system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Party’s discretion</td>
<td>High/pure</td>
<td>Low/constrained</td>
</tr>
<tr>
<td>Political discretion</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Values</td>
<td>Partitocracy</td>
<td>Meritocracy</td>
</tr>
<tr>
<td>Relationships</td>
<td>Informal</td>
<td>Institutionalized</td>
</tr>
<tr>
<td>Nature of competition</td>
<td>Closed</td>
<td>Open</td>
</tr>
<tr>
<td>Independent regulation</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Organizational implications</td>
<td>Spoils system as political process</td>
<td>Spoils system as managerial process</td>
</tr>
<tr>
<td>Nature of process</td>
<td>Cooption</td>
<td>Competition</td>
</tr>
<tr>
<td>Power</td>
<td>Focused</td>
<td>Diffused</td>
</tr>
</tbody>
</table>

In the table 1 we have summarized the main characteristics of the two models. The competitive spoils system model guarantees the political choice in appointing people, but it institutionalized an independent regulation based on different processes and actors involved, avoiding some distortions of traditional spoils system model as partitocracy, closed competition and low accountability.

Competitive spoils system limits the party’s discretion, starts from values embedded in a meritocratic culture and from a diffused conception of the power, as well as it handles spoils system as a managerial process and not only as a pure political process.

Moreover, competitive spoils system is characterized by extended responsibility for appointments and an appointment process clearly on the public agenda and on civic accountability, as well as based on individual presentations, review and the opportunity for public scrutiny of the applicants’ backgrounds and qualifications.

However, from the implementation side, some aspects should be pointed out in order to facilitate its effectiveness: a) the time for managing the appointment process should be defined ex-ante in order to prevent delays and waste of time; b) there must be a clear distinction between i) who has the power to appoint someone, ii) who manages the appointment process and iii) who oversees to the process and to the appointees’ work; c) the main stakeholders, media and public opinion should be adequately informed about the steps of the appointment process in order to promote accountability and civic auditing; d) finally, accountability should be provided by people appointed also about their work and their results obtained.

In this perspective, according to the aim of theoretical models in management studies, the competitive spoils system model and the UK experience may constitute a useful theoretical framework for the practical application of spoils system in other Countries. For example, in Italy the adoption of practices based on competitive spoils system model seems important, since it may allow to reduce party’s discretion and political patronage, that are typical features of Italian local government system (Goldsmith, 1992: 35).

However, in order to evaluate the effectiveness of the competitive spoils system, it will be needed to consider also the different administrative cultures and organizational values that exist across the Europe.

Future studies, also in comparative perspective, may investigate more deeply if the implementation of competitive spoils system model can really help to find an effective balance in the dilemma between democracy and management in public organizations.

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