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Topic: Digitalization and public sector change: a multi-level perspective on Italy with comparative insights from Denmark

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Highlights of the research activity

Digitalization of the public sector has become a central topic in both policy and academic debate, driven by expectations of increased efficiency, quality, and effectiveness in administrative processes and service delivery. Within academia, public sector digitalization has a long tradition in public administration and management scholarship, while it remains comparatively underexplored in public policy analysis, particularly in welfare state research. Public administration and management scholars have emphasized that digitalization is neither neutral nor deterministic (Hoijsink & Leese, 2019): digital tools embed political and organizational choices and constitute a necessary but not sufficient condition for change. However, this literature has remained relatively underdeveloped in theorizing institutional change (van Gerven, 2022). Conversely, public policy and welfare state research has focused primarily on policy impacts - such as labour market transformations, new social risks, and service accessibility - while devoting limited attention to the ontological and institutional implications of digitalization for the state itself. This gap has been highlighted in recent scholarship calling for the integration of historical institutionalism and theories of policy change.

Against this background, the thesis aims to analytically disentangle the relationship between digitalization and public sector change by integrating insights from public administration, public management, public policy analysis, and welfare state research. Drawing on new institutional analysis (Hall & Taylor, 1996), digitalization is conceptualized as an external trigger that expands the range of plausible choices available to policy actors, who may strategically leverage digital tools to pursue interest-driven outcomes. Change is examined primarily through the lens of power redistribution among policy actors located at different tiers of government (Hammerschmid et al., 2024; Hooghe & Marks, 2010), analytically distinguishing between administrative, fiscal, and political dimensions subject to transfers of authority (Falletti, 2005). The direction of change is explained through policy actors' arguments (Béland & Powell, 2016), policy problem framing (Bacchi, 1999; 2009), and accountability mechanisms (Greer et al., 2022), while interinstitutional coordination is treated as a key condition enabling or constraining governance reconfiguration (Overbye, et al. 2017). Empirically, the study employs a mixed-methods design centred on Italy, with comparative insights from Denmark. Italy represents a unitary yet highly decentralized state that has recently invested heavily in digitalization, particularly through EU funding. Denmark provides a contrasting case with a similar state structure but a more mature digital trajectory and significantly stronger inter-institutional coordination mechanisms. Alongside this theoretical core, the thesis also reconstructs how digitalization diffuses and is implemented across levels before becoming available as a potential trigger of governance change.

The research proceeds in four steps. First, a narrative and thematically clustered literature review of 248 academic sources maps definitions, drivers, barriers, and impacts of public sector digitalization. Second, the study analyzes how international organizations - the UN, OECD, and EU - have shaped domestic digitalization reforms between 2000 and 2024, developing and applying a typology of policy instruments and directions of influence to 135 initiatives. Third, it assesses subnational digitalization in Italy through the construction of a novel Regional e-Government DESI (ReG DESI) for the period 2015-2022, incorporating employment and health services, and examines convergence patterns and correlations with EU Structural Funds. Fourth, it conducts a comparative qualitative analysis of employment assistance in Italy and Denmark (Larsen, 2013; Sacchi et al.,

2024) based on 29 elite interviews, to explore how digitalization has affected centralization and decentralization dynamics under different coordination arrangements.

The findings show that international organizations, particularly the EU, have promoted a largely market-oriented understanding of digitalization emphasizing efficiency and data-driven governance, increasingly reinforced through conditional funding. However, the role of the EU differs across cases: in Italy, it has mainly operated through funding, monitoring, and accountability pressures, while in Denmark it has been more visible as a regulatory constraint and as a reference point in public discourse. In Italy, regional digital performance has converged over time, especially in historically lagging Southern regions, and is associated with EU Structural Funds. At the sectoral level, digitalization has produced limited governance change in Italy due to weak and fragmented coordination, while Denmark exhibits hybrid centralization–decentralization dynamics enabled by stronger coordination. This occurred despite the presence of both centralizing and decentralizing arguments in the public arenas of both countries. Notably, the Italian case also shows that digital tools may contribute to centralization even in the absence of consolidated coordination when power shifts are embedded in policy design.

Overall, the thesis argues that public sector digitalization is a politically and institutionally embedded process whose effects depend on policy actors' choices regarding how digital instruments are designed, used, and implemented, as intertwined with policy problem framing and mediated by the institutional features of the national system, particularly interinstitutional coordination. The thesis also shows that the supra-national level shapes some of the conditions under which digitally led governance change unfolds, while decisions over centralization and decentralization remain largely domestic. The work more broadly outlines a research trajectory within welfare state research that theorizes digitalization as a driver of institutional change, moving beyond instrumental and outcome-oriented approaches to examine how digital tools reshape authority, governance structures, and power relations within the state.

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