

FEDERAL REALITIES

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Abstract

It has been argued that federalism is the political theory that offers the basic benchmark upon a state in general, and a democratic state in particular. Federalism implies as much participation as possible, first in the provinces and then by the provinces in the nation. However, in an assessment of the performance of federal states these hopes are not really fulfilled, except in a few cases. Unitarism may be more attractive than federalism, especially if a country is small or medium large. Federalism makes sense in countries with huge area.

Key Words: federalism in theory and practice, Elazar, unitarism, federalist arrangements, federal states, federalism and democracy, secession, federalism's unfeasible trinity.

INTRODUCTION

There exists and have existed a variety of federations, of which some can be said to be successful in terms of outcomes. Scholars who argue the theory of federalism tend to focus upon the existing big federal states in the world. They see the federal state format as the only feasible for these big countries, as a unitary dispensation could not work. However, they also claim that federalism is suitable for small and medium sized states.

The most outspoken adherent of federalism has been Daniel Elazar (1934-1999). He argued that federalism offered a superior state format compared with unitarism. Let us look at his political theory of federal states and whether the institutional performance of the countries with federal institutions outperforms the performance of unitary states.

ELAZAR'S VERSION OF FEDERALISM

Elazar suggested a most comprehensive definition of "federation", including all kinds of contractual arrangements in politics. Thus, the set of federal institutions is large, according to Elazar. He enlarges the scope of federalism by means of two techniques:

- (1) The set of federal arrangements include some 50 countries;
- (2) The set of federal states comprise roughly 23 states.

I will concentrate here upon the set of federal states, because the set of federal arrangements is too amorphous, including intergovernmental, supranational and domestic home rule institutions.

When assessing whether federal states tend to perform better than unitary one, one should concentrate upon the second category, the federal states proper. Elazar's theory about federal arrangements is more elusive than his theory about proper federal states, as it covers all kinds of institutions for decentralization in any state, federal or unitary.

Let me quote the definition of "federalism" that Elazar proposes:

"Federal principles are concerned with the combination of self-rule and shared rule. In the broadest sense, federalism involves the linkage of individuals, groups and polities in lasting but limited union, in such a way as to provide for the energetic pursuit of common ends while maintaining the respective integrities of all parties. As a political principle, federalism has to do with the constitutional diffusion of power so that the constituting elements in a federal arrangement share in the processes of common policy-making and administration by right, while the activities of the common government are conducted in such a way as to maintain their respective integrities. Federal systems do this by constitutionally distributing power among general and constituent governing bodies in a manner designed to protect the existence and authority of all. In federal systems, basic policies are made and implemented through negotiation in some form so that all can share in the system's decision-making and executing processes.

As many philosophers, theologians, and political theorists in the Western world have noted, the federal idea has its roots in the Bible. Indeed, the first usage of the term was for theological purposes, to define the partnership between humans and God described in the Bible which, in turn, gave form to the idea of a covenantal (or federal) relationship between individuals leading to the formation of a body politic, and between bodies politic leading to the formation of compound polities. The political applications of the theological usage gave rise to the transformation of the term "federal" into an explicitly political concept.

The term "federal" is derived from the Latin foedus which, like the Hebrew term brit, means covenant. In essence, a federal arrangement is one of partnership, established and regulated by a covenant, whose internal relationships reflect the special kind of sharing which must prevail among the partners, namely one that both recognizes the integrity of each partner and seeks to

foster a special kind of unity among them. Significantly, shalom, the Hebrew term for peace, is a cognate of brit, having to do with the creation of the covenantal wholeness that is true peace.” (<http://www.jcpa.org/dje/books/fedsysworld-intro.htm>)

How federal states perform in the world today has very little to do with the etymology of the word “federal”. Federal states are to be found in all civilizations of the world. Thus, this Biblical is completely irrelevant. One should always try to distinguish between political science and religion.

Now, Elazar’s definition of federalism as “the combination of self-rule and shared rule” does not separate between federal states on the one hand and unitary states on the other hand. Also decentralized unitary states have “self-rule and shared rule”. However, when unitary states engage in far-reaching decentralization to regional or local governments or endorse home rule for special areas, then Elazar counts these institutions as “federal arrangements”. Thus, federalism implies political decentralization.

Moreover, Elazar speaks of self-rule and shared rule, but we must ask by whom? He states that federalism entails “constitutional diffusion of power”, as well as that “federal systems do this by constitutionally distributing power among general and constituent governing bodies in a manner designed to protect the existence and authority of all.” But why should provinces besides self-rule also enjoy shared rule with the nation? Here we have the distinguishing feature of a federal state, namely that the provinces as governing body participate in the rule of the country as a whole – shared rule with Elazar. Unitarism does not allow for shared rule but may endorse even more autonomy to its regions than a federal state would to its provinces. Unitarism implies democracy, but only the democracy of the people directly, as regional or local governments, however autonomous they may be, do not have a constitutionally sanctioned SAY in national government decision-making.

Elazar’s theory of federalism is more normative political theory than verifiable empirical theory. We must ask in relation to the federal states in the world:

- (1) Are the federal states in the world democracies?
- (2) Are federal states performing well meaning they deliver “linkage of individuals, groups and polities in lasting but limited union”?

To evaluate the performance of the federal model, one must know which states are to be classified as federal and unitary, respectively. In addition, one must specify what kind of evidence one regards as relevant for the assessment of federalism; cross-sectional or longitudinal data? A thorny problematic is whether one should include failed federations in the evaluation – there are many of those.

WHAT CHARACTERIZES A FEDERAL STATE?

The question of the essence of federalism has received several tentative answers, *inter alia*:

- 1) Political decentralization: In a federal state, the provincial governments have a list of competences that bolster their position in the political system (Hooghe, Marks and Schakel, 2010).

Real federalism as decentralization is a hypothesis that needs corroboration from evidence about how federal states operate. It cannot be taken for granted that they are always less centralized than unitary states.

- 2) Democratisation: A federal state tends towards democracy in one form or another, as it endorses both self-rule by the provinces and participation by the provinces in decision-making upon national government affairs (Elazar, 1992).

The link between a federal dispensation of some sort and the democratic regime is a probabilistic one, to be established by means of empirical research. As a matter of fact, several countries that employ the federal language score low on standard democracy indices as well as the respect for human rights.

- 3) Consensus mechanism: Federal institutions provide the provinces with a SAY in national decision-making through a second chamber in the legislature, thus increasing the need for supermajorities (Lijphart, 1999).

Federal states allow for the representation of their provinces in a federal chamber according to various modes of bicameralism. Symmetric bicameralism makes decision-making more complicated, as a positive decision may require not only a majority in the lower chamber but also a majority of some sort in the upper chamber. Whether more complex decision-making methods enhance political consensus or political stability is a question for research.

- 4) Veto players: Federal legislatures tend to have considerable influence upon national decision-making, being provided with a veto against either the national assembly or the president. The existence of veto players promotes political stability by hindering too quick decisions and cycling (Tsebelis, 2002).

Again, this effect of federal institutions will have to be researched. A federal chamber may become so unrepresentative that it merely blocks national policy-making, which if lasting long may lead to stalemate and even political instability.

The often cited example of federalism as conducive to stalemate and minority protection of the status quo is federalism in Latin America (Gibson, 2004), especially the case of Brazil with its highly unrepresentative federal chamber (Stepan, 2004).

Two points may be made in relation to the distinction between federal language and federal reality:

- (a) The use of federal language is not always a reliable sign of the occurrence of federalism.
- (b) Real federalism may be conducive to decentralization, democratization, consensus and political stability, but these effects cannot be taken for granted.

Bypassing the use of federal language, one may look for the difference between a federal state and a unitary one in specific institutional realities.

WHAT ARE FEDERALIST ARRANGEMENTS?

Elazar casts his nets widely indeed. Thus, his normative theory of federalism covers a “variety of arrangements”, namely the following:

1. “Federations: there are 23 formally federal systems in the world today.
2. Confederations: of these are three actual ones in existence and three others de facto; the European Union is the prime example.
3. Decentralized unions in which there is regional or local functional autonomy or which are divided into historic provinces with autonomous municipal powers (e.g., the Netherlands).
4. Feudal arrangements transformed (e.g., Jersey, Guernsey, the Isle of Man, Monaco, and San Marino).

5. Federacies such as Puerto Rico and the United States, or Bhutan and India.
6. Home-rule, of which there are at least two kinds: that which is unilaterally granted with local consent, as in ex-colonial situations; or constitutional home-rule, generally municipal, embodied in a constitution or charter.
7. Cultural home-rule, designed to preserve a minority language or religion.
8. Autonomous provinces or national districts (which the Communist world had developed extensively, but which also exist in countries like Nigeria).
9. Regional arrangements, both intra-national where there is regional decentralization as in Italy and Spain, or trans-national, such as the kind of regional functional arrangements in the Upper Rhine Valley.”
(<http://www.jcpa.org/dje/books/fedsysworld-intro.htm>)

This list blurs the classical distinctions in political science: unitary, federal and confederal states. Moreover, the list also includes:

10. “Customs unions, an old-fashioned device that has taken on new meaning, particularly in southern Africa.
11. Leagues based upon common national or cultural ties, such as Benelux, the Nordic Union, or the Arab League.
12. State-diaspora ties, such as those that link the Jewish people the world over or those of India that link the union's constituent states and their diaspora communities in other parts of the country or outside.
13. Extra-territorial arrangements or enclaves -- Egypt and the Sudan have a fairly elaborate system of enclaves on their borders.
14. Condominiums, such as Andorra, which has been functioning under joint rule for 700 years.
15. State structures functioning through autonomous tribes: Afghanistan has such a two-tier system. Recently one party captured the state structure but has not been able to deal with the autonomous tribes and consequently brought the country to civil war.
16. Consociational arrangements of two kinds: equal pillars (e.g., Belgium) or ethno-religious communities in rank order, some of which are dominant and others subordinate. “ (<http://www.jcpa.org/dje/books/fedsysworld-intro.htm>.)

This conceptualisation of federal arrangements is of no help whatsoever for the strategy of evaluation how real federalism actually works in the world.

The essence of a real federal state, I suggest, is the veto – individual or collective – of the provinces in relation to federal government decision-making, either generally or with regard to constitutional revisions. Federalism implies state duality, as provincial states are embedded within a nation-state, thus pitting provincial governments against a federal or central government.

State duality may be conducive to decentralization, democracy and political stability. But these outcomes cannot be taken for granted. It depends upon the existing political forces in the country. The shape of the *party system* has a major impact upon how the rules of federalism play out, like for instance in Venezuela (Penfold-Beccera, 2004). If there is a dominant party nationally or regionally, then the institutions of federalism may not deliver what their adherents hope for.

FEDERAL DUALISM

A real federal state has built into it some kind of legal duality, opposing the central government and the provincial governments. Provinces are not merely regions in the country, but they are constituent parts of the entire political organization, meaning they have a SAY on constitutional changes. Most federal countries handle this duality by calling the provinces “states”.

Whether the provinces are named states or not, they may have a variety of state characteristics. There is large variation in the institutional set-up of the provinces under a federal dispensation. However, one characteristic or property is essential, namely a SAY on constitutional changes. This requires in turn some form of federal legislative chamber.

The states under a federal dispensation may have a variety of competences, as federal institutions vary greatly, although the number of states that call themselves “federal” is not large. Thus, one may analyse at length the complexity of rules pertaining to the following aspects (Watts, 1998):

- i) Composition of the federal chamber;
- ii) Recruitment of federal representatives;
- iii) Competences of the federal chamber in legislation and budgeting;

- iv) Role of the federal chamber in constitutional changes;

The federal countries differ considerably in how they have structured these five institutional aspects i) – v). Moreover, federal institutions vary also in terms of institutionalization of various aspects of the provinces or “states” themselves. One can mention here the following:

- v) Strong role of the provinces in constitutional changes;
- vi) Own private law;
- vii) Own public law;
- viii) Own court system;
- ix) Own police forces;
- x) Own language.

Given a large diversity in the institutional set-up among real federal states – USA, Switzerland, Germany, Brazil, Mexico, Argentina, Australia, India, Austria – it is impossible to formulate an ideal-type of federalism. Each country has its style of federalism. But it can only call itself “federal”, if it has a federal chamber whose participation is necessary in constitutional changes. The only exception I know of to this rule is Canada.

Comparing the federal states with the unitary ones, one finds no similar requirement in any of them. Constitutional changes are handled by the lower chamber with the possibility of a referendum. Unitary states may have a second chamber, but it is not “federal” meaning representing the provinces as such. Instead, the second chamber either represents the people in the province on a proportional basis, or it is an appointed body like in the UK.

PSEUDO-FEDERAL COUNTRIES

Federalism as a discourse in political theory offers a rosy picture of the federal dispensation with its many institutions on the basis of the assumption that they somehow promote positive outcomes. Little is mentioned in this discourse about the Achilles heel of federal political systems, namely the constant risk of secession, as with Belgium, Canada and Spain for instance.

Some countries state in their written constitution that they are “federal,” but this is only talk. For instance the tiny island states of Micronesia, Comoros and St Kitts and Nevis all claim that they have a federal state. But in their constitutions they completely lack federal institutions such as: provincial states, a two chamber system with provincial representation in

a federal chamber as well as provincial participation in constitutional amendments. These island states have unitary dispensations. The same is true of the Union of Myanmar with its socialist constitution.

Other countries have constitutional documents that are definitely federal, as they outline federal institutions. Here one can mention Ethiopia and Sudan. Yet, the problem is the reversed one. These two countries have written federal constitutions unlike the tiny island states above. But are there real federal institutions in these war torn and anarchical countries?

REAL FEDERAL ANOMALIES

Countries that employ the federal language for self-designation do not display a coherent set of real federal institutions. On the contrary, there exists not only institutional variety in real federalism but also some remarkable anomalies, meaning deviations from federal discourse.

Suppose one considers the US and Switzerland as the benchmark model of real federalism, then some notable deviations may be pointed out:

- A. Australia: no provincial taxes;
- B. Canada: no federal chamber;
- C. Belgium: no territorial jurisdictions;
- D. Germany: no federal chamber legislators;
- E. UAE: no representative institutions;
- F. Venezuela: no senate;
- G. India: often federal emergency intervention;
- H. Brazil: excessive provincial blocking power;
- I. Federated States of Micronesia: uni-cameralism;
- J. Comoros and St Kitts and Nevis: unicameral legislature.

It is difficult to comprise this federal variation in a few clear cut distinctions like classical federalism, dualistic federalism, German federalism, etc (Majeed, Watts and Brown, 2006). Perhaps the small islands states do not really constitute federal states at all, as the provinces are not at all states.

REGIONS AND PROVINCES

In all political systems there is a division of competences between governments at various levels: central, regional and local. Unitary states handle this allocation of competences in

various ways, sometimes with and sometimes without the enshrinement of autonomy for lower tiers of government. Unitary states sometimes employ the so-called prefectural model in order to check that competencies are executed in accordance with law and central regulations. There may be asymmetric division of competencies, as unitary states engage in home rule for certain regions or provinces.

In federal systems, the provinces constitute states, meaning a stronger protection for their competences and autonomy. Federations vary as to how the competencies are specified: exclusive, concurrent and remaining competencies. Whereas unitary states may rely heavily upon local governments, federal states give the provincial governments the key role.

It is not true that unitary states are always centralized with few competencies, little autonomy and close surveillance for the lower tiers of government. There may be substantial regional or local government autonomy without any “*prefect*”. Why, then, opt for federalism?

FEDERAL ADVANTAGE: THE IMPLICATIONS OF SIZE

It has been argued that federalism derives its plausibility from historical circumstances, like external threat, or internal heterogeneity, like ethnic diversity. These reasons for turning to the federal alternative instead of the more often occurring unitary framework are sometimes relevant but hardly generally. What one cannot fail to observe when looking at real federal countries is the fact that they are large, population wise or in terms of territorial size. There are certainly a few exceptions, but it holds that most huge states have a federal dispensation. Why?

The operation of federal duality results in considerable costs: double constitutions and government etc. Size allows these costs to be spread out either per capita or per square kilometre. These complexity costs may be supportable when compared to the benefits that it leads to in terms of organizational stability at the provincial level.

Unitary states have of course regional or local governments. There are regional or local assemblies, directly elected, resulting in a government of some kind. However, these regional or local governments are not clothed in the same strong legal framework as the states in the federal countries. Their existence is regulated in the constitution and in ordinary legislation, where these governments have no veto. Thus, changes are not difficult to make in their structure or functions, independently of whether they have a SAY. This low level of entrenchment may be unacceptable for large territories.

Moreover, the unitary language differs from the federal language in a manner that reflects the weaker constitutional recognition of the unitary provinces or regions compared with the federal ones. Thus, the leader of the regional or local government is not typically designated “Premier” or “Governor”. However, it would be a complete mistake to believe that unitary states have lots of direct central government administration at the regional or local level. Such forms of so-called deconcentration may occur but they co-exist with various forms of political decentralization in the sense of policy-making by directly elected regional assemblies.

In Table 1 the size – population as well as area - of federal states is presented together with a few long-term democracy scores. I have included Spain and South Africa with its 10 regions having a SAY in constitutional revisions among the federal states but bypassed the UAE, Sudan, Iraq, Myanmar and Ethiopia as well as Serbia-Montenegro and Bosnia-Herzegovina, the rumps of the Yugoslavian federal state.

Looking at the list of federations in Wikipedia, one observes that most federal states are huge. Only a few unitary states can show the same immense size measures (<http://en.wikipedia.org/wiki/Federation>). The reason of erecting a federal state is more linked with size than with foreign threat or social and cultural diversity – see Appendix.

Relating these federations to standard indices on human rights and democracy after 1945, one may note that a federal dispensation does not guarantee democracy, like in several countries of Latin America, Africa, Europe and Asia.

Table 1. Federal states: Democracy and Size

	Eta	Eta squared
Demo 1980 (N = 137)	.247	.061
Demo 2000 (N = 154)	.230	.053
Voice and		
accountability 2008 (N = 209)	.123	.015
Population size (N = 210)	.261	.068
Area (N = 209)	.477	.228

Note: Demo = Polity scores (Marshall et al, 2005); Voice and accountability scores = Governance project (World Bank 2009); Population and area = World Bank 2010. The eta

scores vary between 0 – 1, the higher the more the two categories – federal – unitary – distinguish among the indicators.

The major finding in Table 1 is that federalism matters little for democracy, as measured by a number of standard indicators, whether in 1980, in 2000 or today. The rationale of the federal state is to make huge territories governable, whether they have a democratic dispensation or an authoritarian one.

STYLISTED EXPLANATIONS OF FEDERAL STATES

A federation of states is typically constructed when there is a special reason, such as a foreign threat or an internal division. War, or the threat of war, was underlined by Riker, but it has more historical than systematic relevance. Perhaps the military ambitions of Imperial Japan played a role in the making of Australia, but war or military threat has no relevance for understanding the strong support for the maintenance of the Australian federation. The Riker argument seems completely out of place for the making of Nigeria and post-apartheid South Africa or recent Spanish developments.

The cleavage explanation of federalism targets the implications of severe regional tensions in the social structure in combination with explicit institutional attempts to deal with them. Thus, ethnic (or perhaps even religious) tensions may be accommodated within a federal dispensation, allowing for a state comprising several nations, like India, Belgium and Nigeria.

Yet, this argument only begs the question whether social heterogeneity is conducive to federalism. After all, ethnically or religiously divided societies may opt for the creation of several unitary states, like in former Yugoslavia and Czechoslovakia. Holding together a federation based upon ethnic or religious cleavages may actually only be possible when there is a one party state that assures uniform direction. Such a party system lacking, like in the Soviet Union, the federation may succumb to secession.

One may expect the federal discourse to become an institutional legacy in a country where federalism works. However, it is far from that once federal always federal. Federations do go down under. Or they undergo slow but observable institutional change.

The basic reason for a federal state is not so much foreign threat or internal cleavages but the economic implications of immense state size. Yet, not all immense unions constitute federations.

STATE ORGANISATION COSTS

When a country is small or medium sized, then the unitary dispensation would be the normal case. An exception is the small island countries where only a federation could work, since several unitary states would simply be too costly to run – the example of Micronesia, the Comoros or Saint-Kitts and Nevis).

When countries are huge – population wise or in area, then there is a choice. A federal constitution outlines a political system with some form of duality between the nation-state and the provincial states. This duality may promote the rule of law and democracy, but it may also lead to inertia, dead-lock and stalemate.

Federalism increases transaction costs in order to institutionalize this duality between the central government and the provincial states. Whether higher transaction costs promote democratic stability or hinders it is an open question.

Political decision-making may minimize transaction costs by employing a unitary framework with a one chamber legislature for budgeting, taxation and law making. It may structure the state in two or three levels of government with the instruction to implement national government policies. Federal states increase transaction costs by operating two states: one nation-state and a set of provincial states. Transaction costs will be maximized when the provincial states constitute veto players with a definitive SAY over all national government policies by means of a Senate, based upon symmetrical bicameralism with equal representation of all provinces, independently of population size.

ADVANTAGES AND DISADVANTAGES OF HIGHER TRANSACTION COSTS

Federalist scholars argue that a federal dispensation is worthwhile, despite the increasing transaction costs. They refer mainly to democratic stability and political decentralization. However, some deplore the inertia that federalism may be conducive to. Thus, Scharpf (1997) speaks of a “joint decision trap” that federalist arrangements create for both the national government and the provincial governments – a stalemate in the Senate when the lower chamber adheres to one political will but the upper chamber follows another will. At the same time Scharpf speaks about an omnipresent drive towards “Politikverflechtung”, meaning the unavoidable linking together of the national government and the provincial governments on many policy issues, not only in federal political systems.

Federalist transaction costs make sense in a huge country but hardly elsewhere. In big states there is a need for regions to enjoy political stability in the form of constitutionally protected provincial governments. They may respond to regional political wills, thus making decentralization workable. However, federalism runs the constant danger of regions obstructing the national government and even calling for secession.

What federalist theory claims is that there are limits to economies of scale in political organization. When a country is huge, then making the regions into provincial states may be an attractive option in constitutional design. Yet, as complexity arises with the entrenchment of federalist institutions, so do transaction costs increase.

FEDERAL DRAWBACK: SECESSION

In the real world of federalism, we are often far away from the normative theory that Elazar expounds elegantly. He claims: “In federal systems, basic policies are made and implemented through negotiation in some form so that all can share in the system's decision-making and executing processes.” Really? That may be true in theory but hardly in practice.

Federal states have experienced long periods of authoritarianism, in Eastern Europe, in Asia and in Latin America. Federalism does not offer a strong enough bulwark against dictatorship. It only offers a set of institutions, but of importance for democracy is the party system and the lack of military involvement in politics. Politics is not only determined by rules, if they are at all enforced, but also by the preferences of the key players, such as the political parties and sometimes the military establishment.

Elazar does not mention the major problematic of federalism, which is the ever present danger of secession. Unitary dispensation does not allow secessionist stances, but a federal dispensation invites them. Whether a state within a federal framework is entitled to leave in order to set up a unitary dispensation is an issue that has never been fully resolved, not even in American political thought. The ideas of Calhoun still cast a shadow over American federalism, reverberating over the issue of nullification and secession in federalist theory, although not the institution of slavery – Calhoun’s major concern (Aranson, 1991).

Normative federal theory devotes little effort to the two main drawbacks of a federal dispensation, namely the probability of:

- (a) Stalemate;
- (b) Secession.

Normative federal theory, when empirical, draws almost exclusively upon American experience (Aranson, 1990). It lacks a comparative assessment of global experiences of a federal dispensation.

CONCLUSION

Federalist theory makes somewhat arrogant claims on behalf of a federal dispensation, stating that it performs better than a unitary one. A skeptic like Riker (1975) pointed out early that the evidence hardly supports such contentious statements.

Federalist theory faces some ambiguities. On the one hand there is federalist language and on the other hand there are federalist realities. They do not always match.

Federalism implies the belief that federalist institutions outperform unitary institutions. When implemented, however, a federal dispensation does not always deliver outcomes like democratic stability, political decentralization and policy flexibility. One may argue the other way around, namely that unitarism is the normal case (some 180 states of the world) and federalism the exceptional case (some 20 states of the world). Federal institutions make sense in huge countries.

Institutionalists sometimes launch an argument in favour of federalism ahead of unitarism. However, the positive federal outcomes are probabilistic in nature. How real federalism plays out depends not only upon how the federal institutions are framed but also upon how the political preferences of the *demos* are aggregated and transformed in the party system. Thus, federalism under one-party dominance is very different from federalism under a competitive party system. The federal discourse has universal appeal, but real federalism makes sense only in truly huge countries due to political organization costs.

The problematic of federalism is that as a normative political theory it attempts to maximise three things at the same time:

- (i) National policy flexibility
- (ii) States' rights
- (iii) Democracy.

This amounts to a “unfeasible trinity”. One of these three (i) – (iii) has to go. When the provinces can veto national government policy-making, then there is bound to occur stalemate and protracted negotiations with a risk for holding out gains to minorities. A one-party system or military rule may overcome these veto players, but at the cost of democracy.

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APPENDIX. States: size and federalism

Country	watts99	pop2000	lnpop	areakm2	lnarea
India	1	1.008,90	6,92	3.151.251,0	14,96
United States	1	283,20	5,65	9.400.722,0	16,06
Brazil	1	170,40	5,14	8.420.640,0	15,95
Russian Federation	1	145,50	4,98	16.600.000,0	16,62
Pakistan	1	141,30	4,95	871.273,6	13,68
Nigeria	1	113,90	4,74	908.399,1	13,72
Mexico	1	98,90	4,59	1.923.122,0	14,47
Germany	1	82,00	4,41	349.898,0	12,77
Ethiopia	1	62,90	4,14	1.135.775,0	13,94
South Africa	1	43,30	3,77	1.226.429,0	14,02
Spain	1	39,90	3,69	485.472,7	13,09
Argentina	1	37,00	3,61	2.775.401,0	14,84
Canada	1	30,80	3,43	9.590.309,0	16,08
Venezuela, RB	1	24,20	3,19	929.507,1	13,74
Malaysia	1	22,20	3,10	323.151,4	12,69
Australia	1	19,10	2,95	7.662.592,0	15,85
Yugoslavia, FR					
(Serb	1	10,70	2,37	88.010,5	11,39
Belgium	1	10,20	2,32	31.318,3	10,35
Austria	1	8,10	2,09	84.905,6	11,35
Switzerland	1	7,20	1,97	41.452,4	10,63
Bosnia and					
Herzegovi	1	3,80	1,34	51.385,3	10,85
United Arab					
Emirates	1	2,60	0,96	102.580,3	11,54

Comoros	1	0,50	-0,69	2.200,0	7,70
Micronesia	1	0,10	-2,30	700,0	6,55
St Kitts and Nev	1	0,04	-3,22	400,0	5,99
China	0	1.275,10	7,15	9.344.594,0	16,05
Indonesia	0	212,10	5,36	1.697.375,0	14,34
Bangladesh	0	137,40	4,92	135.886,9	11,82
Japan	0	127,10	4,84	358.359,0	12,79
Vietnam	0	78,10	4,36	333.167,8	12,72
Philippines	0	75,70	4,33	232.172,8	12,36
Iran, Islamic Rep.	0	70,30	4,25	1.614.726,0	14,29
Egypt, Arab Rep.	0	67,90	4,22	1.000.480,0	13,82
Turke y	0	66,70	4,20	790.418,8	13,58
Thailand	0	62,80	4,14	506.001,2	13,13
United Kingdom	0	59,40	4,08	219.140,8	12,30
France	0	59,20	4,08	550.787,7	13,22
Italy	0	57,50	4,05	296.127,4	12,60
Congo, Kinshasa	0	50,90	3,93	2.346.334,0	14,67
Ukraine	0	49,60	3,90	586.548,7	13,28
Burma-Myanmar	0	47,70	3,86	656.424,2	13,39
Korea, Rep.	0	46,70	3,84	91.306,0	11,42
Colombia	0	42,10	3,74	1.153.540,0	13,96
Poland	0	38,60	3,65	305.676,3	12,63
Tanzania	0	35,10	3,56	944.552,2	13,76
Sudan	0	31,10	3,44	2.507.269,0	14,73
Kenya	0	30,70	3,42	597.289,1	13,30
Algeria	0	30,30	3,41	2.309.484,0	14,65
Morocco	0	29,90	3,40	411.474,1	12,93
Afghanistan	0	25,90	3,25	646.212,0	13,38
Peru	0	25,70	3,25	1.302.897,0	14,08
Uzbekistan	0	24,90	3,21	445.830,2	13,01
Uganda	0	23,30	3,15	240.491,6	12,39
Nepal	0	23,00	3,14	147.402,7	11,90
Iraq	0	22,70	3,12	441.138,6	13,00

Romania	0	22,40	3,11	231.660,4	12,35
Taiwan	0	22,20	3,10	32.920,3	10,40
Korea, Dem. Rep.	0	21,60	3,07	126.959,7	11,75
Saudi Arabia	0	20,30	3,01	1.912.761,0	14,46
Ghana	0	19,30	2,96	235.516,0	12,37
Sri Lanka	0	18,90	2,94	61.956,2	11,03
Mozambique	0	18,30	2,91	781.072,6	13,57
Yemen, Rep.	0	18,30	2,91	391.374,2	12,88
Kazakhstan	0	16,20	2,79	2.707.851,0	14,81
Syrian Arab Republic	0	16,20	2,79	193.961,3	12,18
Cote d'Ivoire	0	16,00	2,77	313.565,6	12,66
Madagascar	0	16,00	2,77	579.021,4	13,27
Netherlands	0	15,90	2,77	32.983,4	10,40
Chile	0	15,20	2,72	668.868,7	13,41
Cameroon	0	14,90	2,70	463.006,3	13,05
Angola	0	13,10	2,57	1.235.014,0	14,03
Cambodia	0	13,10	2,57	182.318,4	12,11
Ecuador	0	12,60	2,53	248.705,8	12,42
Zimbabwe	0	12,60	2,53	394.272,1	12,88
Burkina Faso	0	11,50	2,44	276.522,2	12,53
Guatemala	0	11,40	2,43	108.418,3	11,59
Mali	0	11,40	2,43	1.249.355,0	14,04
Malawi	0	11,30	2,42	110.956,3	11,62
Cuba	0	11,20	2,42	100.428,7	11,52
Niger	0	10,80	2,38	1.182.223,0	13,98
Greece	0	10,60	2,36	105.139,9	11,56
Zambia	0	10,40	2,34	760.305,1	13,54
Czech Republic	0	10,30	2,33	80.165,0	11,29
Belarus	0	10,20	2,32	205.718,3	12,23
Hungary	0	10,00	2,30	95.568,6	11,47
Portugal	0	10,00	2,30	93.102,5	11,44
Tunisia	0	9,50	2,25	155.244,6	11,95

Senegal	0	9,40	2,24	211.298,5	12,26
Sweden	0	8,80	2,17	433.618,7	12,98
Dominican					
Republic	0	8,40	2,13	45.356,8	10,72
Bolivia	0	8,30	2,12	1.090.806,0	13,90
Guinea	0	8,20	2,10	253.825,2	12,44
Haiti	0	8,10	2,09	25.683,4	10,15
Azerbaijan	0	8,00	2,08	87.881,2	11,38
Bulgaria	0	7,90	2,07	119.438,6	11,69
Chad	0	7,90	2,07	1.268.417,0	14,05
Rwanda	0	7,60	2,03	27.283,8	10,21
Somalia	0	7,30	1,99	639.620,6	13,37
Hong Kong, China	0	6,90	1,93	1.040,0	6,95
Burundi	0	6,40	1,86	28.289,8	10,25
Honduras	0	6,40	1,86	113.208,0	11,64
Benin	0	6,30	1,84	116.045,6	11,66
El Salvador	0	6,30	1,84	20.886,1	9,95
Tajikistan	0	6,10	1,81	146.659,2	11,90
Israel	0	6,00	1,79	31.135,0	10,35
Paraguay	0	5,50	1,70	402.937,7	12,91
Slovak Republic	0	5,40	1,69	47.843,8	10,78
Denmark	0	5,30	1,67	32.407,5	10,39
Georgia	0	5,30	1,67	72.279,4	11,19
Lao PDR	0	5,30	1,67	231.129,8	12,35
Libya	0	5,30	1,67	1.618.321,0	14,30
Finland	0	5,20	1,65	333.517,9	12,72
Nicaragua	0	5,10	1,63	121.810,7	11,71
Jordan	0	4,90	1,59	89.520,5	11,40
Kyrgyz Republic	0	4,90	1,59	196.275,6	12,19
Papua New Guinea	0	4,80	1,57	422.882,3	12,95
Croatia	0	4,70	1,55	53.732,7	10,89
Turkmenistan	0	4,70	1,55	476.077,4	13,07
Norway	0	4,50	1,50	349.504,6	12,76

Togo	0	4,50	1,50	60.296,6	11,01
Sierra Leone	0	4,40	1,48	69.097,9	11,14
Moldova	0	4,30	1,46	32.540,9	10,39
Costa Rica	0	4,00	1,39	50.525,3	10,83
Singapore	0	4,00	1,39	632,6	6,45
Armenia	0	3,80	1,34	30.643,8	10,33
Ireland	0	3,80	1,34	67.816,9	11,12
New Zealand	0	3,80	1,34	249.003,8	12,43
Central African					
Repu	0	3,70	1,31	631.687,8	13,36
Lithuania	0	3,70	1,31	64.801,6	11,08
Lebanon	0	3,50	1,25	10.254,4	9,24
Uruguay	0	3,30	1,19	175.471,3	12,08
Albania	0	3,10	1,13	27.900,0	10,24
Liberia	0	3,10	1,13	91.042,6	11,42
Congo, Brazza	0	3,00	1,10	329.168,3	12,70
Panama	0	2,90	1,06	73.322,3	11,20
Mauritania	0	2,70	0,99	1.022.853,0	13,84
Jamaica	0	2,60	0,96	9.036,6	9,11
Mongolia	0	2,50	0,92	1.558.417,0	14,26
Oman	0	2,50	0,92	309.426,8	12,64
Latvia	0	2,40	0,88	62.352,9	11,04
Bhutan	0	2,10	0,74	38.303,9	10,55
Lesotho	0	2,00	0,69	30.448,0	10,32
Macedonia, FYR	0	2,00	0,69	25.823,0	10,16
Slovenia	0	2,00	0,69	20.440,8	9,93
Kuwait	0	1,90	0,64	16.132,8	9,69
Namibia	0	1,80	0,59	802.492,1	13,60
Botswana	0	1,50	0,41	589.403,2	13,29
Estonia	0	1,40	0,34	38.744,7	10,56
Trinidad and					
Tobago	0	1,30	0,26	4.857,0	8,49
Gabon	0	1,20	0,18	255.991,3	12,45

Mauritius	0	1,20	0,18	1.860,0	7,53
East Timor	0	1,00	0,00	15.000,0	9,62
Bahrain	0	0,70	-0,36	700,0	6,55
Qatar	0	0,60	-0,51	10.104,6	9,22
Luxembourg	0	0,40	-0,92	2.696,4	7,90
Iceland	0	0,30	-1,20	100.376,3	11,52

Note: Watts 99: Federal = 1, Unitary = 0 (Watts, 1999).