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Operationalizing Regional Authority: A Coding Scheme for 42 Countries, 1950–2006

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ABSTRACT This article sets out a coding scheme for eight dimensions of regional authority across 42 developed countries for the period 1950–2006. The article explicates coding rules, discusses ambiguities of interpretation, and explains how particular regions are coded.

KEY WORDS: Regions, measurement, operationalization, coding, authority

Introduction

This article sets out a coding scheme for regional authority in 42 developed countries for the period 1950–2006 and applies the scheme to cases that raise general or specific issues.

We conceive regional authority in two domains. Self-rule refers to the authority of a regional government over those living in the region. Shared rule refers to the authority a regional government (co-)exercises in the country as a whole. Each is measured along eight dimensions or scales which describe institutional alternatives.

The challenge is to navigate between abstractness and particularism, to encompass the concept to be measured, while specifying for each dimension a set of items that can produce reasonably valid estimates (Adcock and Collier, 2001: 529; Sartori, 1970; Weber, 1949). The items are designed to capture abstract dimensions summarizing the master concept of regional authority; to refer to observable states of the world; and to be unambiguous in their application to particular cases.

A coding scheme, i.e. a list of items arranged on a limited number of scales, should be inter-subjective so that experts understand and apply it in a consistent way to arrive at convergent observations. However, coding particular cases will usually involve expert judgment, no matter how clearly an item is formulated. Expert coding cannot

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be reduced to an algorithm, but involves disciplined conceptual problem solving as well as detailed knowledge about the cases themselves. This article provides a hands-on guide to the coding scheme.

Self-rule

Institutional Depth

We conceive institutional depth as a continuous dimension ranging from no autonomy from the central government to complete autonomy. The latter is a conceptual, but not an empirical, possibility. The variation is mostly at the lower end of the scale and the intervals are spaced accordingly.

We distinguish four categories. The first is a null category where there is no functioning general-purpose regional administration. The second is described by the Napoleonic term, *déconcentration*, which refers to a regional administration that is hierarchically subordinate to central government. A deconcentrated regional administration has the paraphernalia of self-governance—buildings, personnel, a budget—but is a central government outpost. The final two categories distinguish among regional administrations that exercise meaningful authority. The more self-governing a regional government, the more its relationships with the central government are lateral rather than hierarchical. The fundamental distinction here is whether regional self-government is, or is not, subject to central government veto.

Institutional Depth

- 0:** no functioning general-purpose administration at the regional level;
- 1:** a deconcentrated, general-purpose, administration;
- 2:** a non-deconcentrated, general-purpose, administration subject to central government veto;
- 3:** a non-deconcentrated, general-purpose, administration not subject to central government veto.

To score more than zero, a region must have a functioning administration. Purely statistical regions do not reach the bar. Hence, the statistical category of *riksonråden* in Sweden scores zero. For Hungary, the eight statistical regions, *tervezési-statisztikai régiók*, score 1 only from 1999, when they were reformed into deconcentrated administrations, even though they had been around since 1996 as statistical regions. Statistical regions were created in several EU countries in order to be eligible for EU structural funding, and only a subset of these (Hungary, Ireland, Romania) evolved into functioning administrations that score 1 or more.

To score more than zero, a region must also be general, not special purpose. Regional administrations responsible only for a single policy (e.g. the environment or schooling) score zero. Dutch *waterschappen* (water boards) are an example of a special-purpose jurisdiction, set up to handle a particular problem in a country that lies mainly below sea level.¹

Regions in England and Wales illustrate these distinctions. Regions in England score zero from 1950 to 1993. Whitehall ministries continued to use their own regional

boundaries after a reform in 1964 setting up deconcentrated regions. Until 1979, when regions became merely statistical categories, regions in England were special, not general, purpose. In the late 1980s, the government began concentrating functions within consistent boundaries, culminating in 1994 with the creation of deconcentrated general-purpose administrations, which score 1. Wales, by contrast, was treated as a coherent region from 1964, when the Secretary of State for Wales headed a general-purpose administration prior to devolution.

Several countries shift from special- to general-purpose regional governments. A 1974 reform in New Zealand replaced special-purpose with general-purpose regions, as did the 1994 reform in England. Irish development regions, set up in 1987, are considered as general-purpose: while their primary function was to channel EU structural funds, they also co-ordinated local government activities on behalf of the central government. They were replaced in 1994 with self-governing regional authorities. Regions in Slovakia traverse the first three categories of the scale, going from 0 in 1993 to 1 in 1996 to 2 in 2002. The fall of communism had de-legitimized existing regional governments. In Slovakia, as in some other post-communist regimes, regional governments were abolished initially, then reconstituted as deconcentrated central agents and, finally, converted to decentralized governments.

Scores at the upper end of this dimension reflect the distinction between regional administrations subject, or not subject, to central government veto. This turns on whether a region has legally enforceable protection against central government *ex-ante* and *ex-post* control. Such is the case when regional and central law have equal constitutional status. Federalism is the most common institutional expression of this, but it is neither sufficient nor necessary. Russia is normally categorized as a federation, but, since 2000, the president has authority to dissolve *subwekty* parliaments and dismiss their governments if they disobey federal law. The UK is not a federation, but a Secretary of State can refuse to submit a bill from the Scottish parliament for royal assent only if it has “an adverse effect on the operation of the law as it applies to reserved matters” or is “incompatible with any international obligations or the interests of defence or national security” (Scotland Act, Article 35, para.1).

Policy Scope

Policy scope taps regional authority over policy making. We group policies into three areas: economic, cultural-educational and welfare:

- economic policy encompasses regional development, public utilities, transport including roads, environment, energy;
- cultural-educational policy encompasses schools, universities, vocational training, libraries, sports and cultural centres;
- welfare policy encompasses health, hospitals, social welfare (e.g. elderly homes, poor relief, social care), pensions, social housing.

These categories aggregate diverse policy responsibilities specified in constitutions and legislation.² We differentiate among regional governments that exercise authority in none, one, or more than one of these policy areas.

If more than one policy area, we evaluate whether a regional government also exercises constitutive or coercive authority, i.e. authority that lies close to the core of state sovereignty. Does the regional government control the police? Is it responsible for the organization of local government? Does it exercise residual powers: i.e. is the regional government responsible for policies that are not constitutionally mandated for the central government? Can the regional government determine its own institutional set-up, including, for example, the timing of regional elections and electoral rules?

The final category taps whether a regional government co-exercises authority over membership in its community, i.e. in immigration and citizenship policies. Authority over who can be a member of a self-governing community is conceptually prior to authority over the provision of collective goods to that community. In most countries these competencies are “fundamental sovereign attributes”³ and it is expected that regions meeting this high hurdle almost always meet the criteria for category three.

Policy Scope

- 0:** the regional government does not have authoritative competence over economic policy, cultural-educational policy, or welfare state policy;
- 1:** the regional government has authoritative competence in *one* of the following areas: economic policy, cultural-educational policy, welfare state policy;
- 2:** the regional government has authoritative competencies in *at least two* of the following areas: economic policy, cultural-educational policy, welfare state policy;
- 3:** the regional government meets the criteria for 2 and is endowed with at least *two* of the following:
 - residual powers
 - regional police force
 - authority over own institutional set-up
 - authority over local government;
- 4:** the regional government meets the criteria for 3, and has authority over immigration or citizenship.

This dimension estimates the range of policies for which regional governments make authoritative decisions. So we discount policy responsibilities that are not exercised independently by regional governments. Central control can take three forms: a dual structure of regional government in the form of parallel administrations (e.g. *landsting* and *länsstyrelse* in Sweden; *kraje* and *samospravne kraje* in Slovakia); a mixed administration (e.g. a directly elected assembly and government-appointed executive as in *départements* in France); a single administration that combines self-government and deconcentration (e.g. *provincies* in the Netherlands).

In Sweden, for example, responsibilities for governing counties (*län*) are divided between elected councils (*landstinge*) and centrally appointed governors. Until 1970,

landstinge were responsible for the provision of health care (including hospitals and outpatient centres), and had secondary responsibilities for agricultural, craft, and industrial training. Thus, *län* are scored as exercising authority for welfare, but not for economic policy (=1). In 1971, *landstinge* were given responsibility for regional development and public transport, and these are scored as having competence in economic policy in addition to welfare (=2).

The balance between self-government and deconcentration frequently changes over time. From the 1950s, Dutch *provincies* shared authority with local governments in transport, infrastructure, investment policy and regional planning, and are scored 1 for economic policy. In the 1970s and 1980s, *provincies* gained competencies in urban development, housing, culture and leisure, and environmental planning, but these were subject to central supervision. The *provincies* continue to be scored 1 until a 1994 reform released them from *ex-ante* central oversight, from which time they score 2. After 1948, Italian *provincia* shared control for spatial planning, the environment, highways, education, local economic development, and labour market policies with a government-appointed prefect, and they score 1. Following the 2001 reform which stripped prefects of policy-making competencies except law and order, emergency powers and *ex-post* legal oversight, *provincia* score 2.

Many regional governments execute aspects of immigration or citizenship policy on behalf of central governments, but few have significant legislative authority on one, let alone both, areas. Six regions in the dataset meet this criterion: the Australian states, the Canadian provinces, *Åland*, the Entities in Bosnia and Herzegovina, the two republics of the federation/confederation Serbia and Montenegro, and the Swiss cantons.

While the US constitution grants states some authority to regulate the conduct of ‘aliens’, immigration and naturalization are exclusive federal competencies, and US states score 3 on this dimension. In Canada, immigration is concurrent between provinces and the federal government, except for Quebec, which has exclusive competence. Provinces can impose economic criteria to select prospective immigrants; the federal government checks the statutory requirements—health, security and authenticity of documents—before issuing a Canada immigration visa. This earns Canadian provinces (and Yukon) a score of 4.

The *Åland Islands* score 4 since the *Åland* government has exclusive authority to determine right of domicile in the islands. Right of domicile, which allows a Finnish citizen to vote, stand for election, purchase, lease, or inherit property, or open a business on the islands, is granted by the *Åland* government to all individuals with a parent who has the right of domicile and to others on a case-by-case basis. Finnish citizens who have lived in *Åland* for five years and have an adequate knowledge of Swedish may apply for the status.

Fiscal Autonomy

No measures of regional authority appear as promising as public spending and tax revenues. None are more complex and deceiving (Rodden, 2004; Treisman, 2007). The problems one confronts in using these data as proxies for regional

authority are that the absolute amount or share of public spending or tax revenues do not reveal a great deal about how much discretion a subnational government exercises; the available OECD and IMF data cover a limited number of countries and few time points; these data are not broken down by level of government.

The first problem is more serious than one might imagine. Regional governments that spend a large proportion of public funds include several that have little choice about how they spend. Welfare benefits in Scandinavian societies are determined at the central level for the country as a whole, but are channelled mainly through subnational authorities which are best placed to implement the policy in local contexts. Political economists have long described Scandinavian societies as neocorporatist to highlight the role of centralized producer groups in bargaining national public policy. Subnational authorities in these countries spend a lot because they implement expansive welfare systems which are determined at the national level.⁴

So it is not surprising that a league table of subnational public expenditure as a share of the total expenditure has Denmark at the very top, and Sweden, Norway and Finland above Germany, Austria, Belgium, Italy or Spain.⁵ On both conceptual and face-validity grounds, it makes little sense to use subnational public spending as a measure of subnational authority.⁶

Subnational tax revenues as a share of general government revenues—defined by the OECD as tax-sharing agreements, excluding transfers received from other levels of government—do not do much better because the amount does not tell us which government decides on the level and composition of revenues. Central governments are induced to shift responsibility for collecting taxes to subnational governments, while severely limiting their discretion. As the discussion of the fundamental distinction between deconcentrated and decentralized government suggests, it is one thing to receive taxes, it is another to *decide* about taxes.⁷ Measures of the amount or proportion of subnational taxes are only weakly correlated with measures of tax authority or tax discretion.⁸

Our cure is to assess a regional government's fiscal authority independently of its revenues or spending. We draw on the OECD's schema for evaluating subnational government discretion over revenue. This schema distinguishes two notions of authority (control independent from central government, and shared rule with the central government), and three areas of control (tax base, tax rate and revenue split) (OECD, 1999).

We simplify the schema to produce (a) an annual (not decennial) measure, (b) for particular levels of government (not aggregated across all subnational levels) that (c) is conceptually close to the thing to be measured: i.e. authority on fiscal matters. We assess a regional government's tax portfolio as a whole by distinguishing between major and minor taxes and, within these, between the capacity to control base and rate, or rate only.⁹ Here, we estimate a regional government's capacity to determine its revenues unilaterally (self-rule), and below we estimate a regional government's ability to influence the distribution of national revenues as one component of shared rule.

Fiscal Autonomy

- 0:** the central government sets the base and rate of all regional taxes;
- 1:** the regional government sets the rate of minor taxes;
- 2:** the regional government sets the base and rate of minor taxes;
- 3:** the regional government sets the rate of at least one major tax: personal income, corporate, value added, or sales tax;
- 4:** the regional government sets the base and rate of at least one major tax: personal income, corporate, value added, or sales tax.

Fiscal authority is operationalized as tax autonomy, co-decision on national tax regimes, and intergovernmental grants (Swenden, 2006). It does not include a region's authority to set fees or charges in return for specific services, such as fees for the preparation or deposit of official documents, bus charges, public utility fees, etc., which nearly always make up a negligible part of a regional budget. Thus, when Greek *nomoi* gained the capacity in 1998 to set fees and charge for transport and other services, they retain a score of 0. The Greater London Authority scores 1 because it is able to levy a property tax for which it can set rates (but not the base), not because it can determine tube or bus fares or because it introduced a congestion charge for cars in central London.

Intergovernmental grant systems are considered in estimating fiscal shared rule (see below) to the extent that they are negotiated (*ad hoc*, as part of the annual budget process, or in the context of constitutional bargaining). If intergovernmental grants are determined by the central government, they are a constraint on, rather than a source of, regional authority and are scored zero.

Representation

We conceive regional authority with respect to representation as the capacity of regional actors to select regional office holders: in the case of legislators, by direct election in the region, or failing that, indirect election by subnational office holders; in the case of an executive, by the regional assembly, or failing that, a mixed system of a regional/central dual executive.

Assembly

- 0:** the region has no regional assembly;
- 1:** the region has an indirectly elected regional assembly;
- 2:** the region has a directly elected assembly.

Executive

- 0:** the regional executive is appointed by central government;
- 1:** dual executives appointed by central government and the regional assembly;
- 2:** the regional executive is appointed by a regional assembly or is directly elected.

An assembly is defined as a self-standing institution with a fixed membership using parliamentary procedures to make decisions. This encompasses all regional assemblies that call themselves such, and excludes ‘committees’, which are subordinate bodies. Therefore we give a score of zero to Grand Committees composed of Scottish, Welsh or Northern Irish members of the House of Commons who meet as caucuses to discuss bills affecting their regions.

We code the predominant principle in regional assemblies, where some legislators are directly elected and some indirectly selected. Hence, Hungarian regional councils score zero because a majority of their members are central government appointees, while Romanian regional councils score 1 because subnational appointees predominate and, unlike central appointees, can vote on regional legislation.

Indirectly elected assemblies are scored 1 when the selectors are subnational. In most cases, these selectors are local governments or local government assemblies but, in Belgium and France, the selectors represent constituencies within each region, though at the national level. In Belgium, regional and community councils consisted until 1995 of national parliamentarians elected for the relevant region (Flanders/Wallonia/Brussels) or community (French/Dutch speaking). From 1972 to 1981, regional councils in France were composed of all nationally elected politicians from the region alongside indirectly elected representatives from subnational governments.

We define an executive as a decision-making body that has the task of putting laws into effect, and we assess whether the head of a regional executive is appointed by central government, the regional government, or both. The last category, the dual executive, characterizes French *départements* and *régions*, Belgian *provincies*, Swedish *län*, Danish *amter*, Slovakian *kraje*, Romanian *judete*, Norwegian *fylke* and Dutch *provincies*. In these cases, the central government appoints a prefect or governor alongside a regionally appointed executive. While the regional/central balance varies among these cases, each is plainly different from the pure case of an executive selected by the centre or by the region alone.¹⁰

The intermediate category encompasses only cases where it is meaningful to speak of a dual executive, that is, where both the central and regional appointees have executive authority. In Canada, provincial heads responsible to regional legislatures shared some authority with lieutenant-governors, but the role of the lieutenant-governor was mainly ceremonial, and too weak to be considered as diluting the executive power of the provincial head, and therefore too weak to compromise their score of 2 on the index.¹¹

As noted above, we code formal authority, not power in a more general sense. The two diverge most where formal rules tend to be formalities, as for regions in contemporary Russia. Russian *subwekty federacii* score 2 on assembly and 0 for executive from 1993 to 1995, 2 and 2 from 1996 to 2004, and 2 and 1 from 2005 to 2006. The changes correspond to Yeltsin’s decision in 1996 to allow governors to be directly elected instead of appointed by Moscow, and Putin’s decision in 2005 to replace direct election with a system where the president proposes a candidate to each regional legislature. The new system is scored as dual government since control over the executive is shared by central and regional government and is clearly different from the communist system of centrally appointed governors.

We do not control for pressures that the centre is able to exert on regional legislatures to rubber-stamp its choices.

The scoring scheme is responsive to change over time, as in Belgium, where the Flemish-, Walloon- and German-speaking communities score zero on both assembly and executive representation in 1970 and end up with the maximum on both measures by 1995. Their different paths are reflected in the scoring. The Flemish and French communities acquired indirectly elected assemblies in 1970 (scoring 1 on assembly), then a regionally responsive executive in 1980 (2 on executive) and, finally, a directly elected assembly in 1995 (2 on assembly). The German community gained a popularly elected assembly in 1974 (2 on assembly) and control over its executive in 1984 (2 on executive).

Shared Rule

A regional government may exercise authority by co-determining decision making at the national level. We distinguish four avenues. First, a region may participate directly in making national law. This requires that it is represented in the national legislature, usually in the upper chamber. Second, a regional government may share executive responsibility with the national government for implementing policy in the region or in the country as a whole. Third, a region may co-determine the distribution of tax revenues in the country as a whole. Finally, and most importantly, a regional government may exercise authority over the constitutional set up in the country.

The first, second and third avenues of power sharing concern the role that regions play in national decision making and each scores a maximum of 2 points; the final avenue concerns the extent to which regions write the rules of the game, and this scores up to 3 points.

Law Making

The variation we wish to detect concerns the role of regions in national legislation. We assess whether regions, *qua* regions, are represented in a chamber of the national legislature, whether regional representatives constitute a majority in that chamber, and whether the regionally constituted chamber has authority to veto ordinary legislation.

If there is a legislative arena in which regions and their governments directly influence national law, it is usually the upper, or second, chamber of the national legislature. Most upper chambers came to serve as bulwarks against one man (one person), one vote. They represented groups that had traditional claims to authority, i.e. lords temporal and spiritual or territorial communities that existed prior to the state. Whereas several upper chambers that survived liberal democracy represent territorial communities, most commonly regions, representation in lower chambers is almost always based on the principle of individual representation. In the dataset, there is only one exception: the short-lived unicameral parliament of Serbia and Montenegro (2003–06).

Law Making

0.5 is scored for each of the following characteristics. Aggregate scores range between 0 and 2:

- regions are the unit of representation in the legislature, i.e. the distribution of representation is determined by regional weights, rather than ‘one citizen, one vote’ in the country as a whole;
- regional governments designate representatives in the legislature;
- regions at a given level have majority representation in the legislature;^a
- a legislature with regional representation has extensive legislative authority, i.e. it can veto ordinary legislation or it can be overridden only by a super-majority in the other chamber.^a

^aevaluated if at least one of the first two conditions is met.

Regions can shape a legislature in two ways: regions may frame the principle of representation, or regional governments themselves may be directly represented in the legislature. The first is epitomized in the US Senate where each state, irrespective of population, has two senators. In most cases, the regional principle produces disproportionality from the perspective of one citizen, one vote, but this is not necessarily the case. The distribution of seats in the House of Peoples in Bosnia and Herzegovina looks proportional, but this is produced by rules for ethnic representation. The Federation of Bosnia and Herzegovina (with around 65% of the total population) has ten seats; the *Republika Srpska* (with around 35% of the population) has five seats. The constitution further stipulates that delegates from the federation must include five Croats and five Bosniacs, alongside five Serbs from the *Republika Srpska* (Article IV.1).

In some countries, representation is calculated by region on the basis of relative population. These cases are coded as zero. They include Austria, where each *Land* is allotted seats in the upper chamber, the *Bundesrat*, in relation to the size of its population, and the allotted number of seats is then divided among political parties according to their representation in the *Land* parliament. After each population census, the distribution of seats across *Länder* is adjusted. The upper chamber in the Netherlands is another case where the principle of individual representation determines regional weights. Provincial delegates elect senators in the Netherlands, but the allocation of seats across provinces is proportional to their populations. The representation of regions in the Italian senate is a more ambiguous case which we judge to fall just short of a positive score. Each region receives at least seven deputies in the Italian senate, but this has little effect on the overall distribution which is largely determined by one citizen, one vote. Of 315 seats in the Italian senate, 306 are distributed among 20 regions, and all but seven regions receive deputies purely on the basis of their population.

Direct representation of regional governments in the legislature is epitomized by the German *Bundesrat* in which a *Land* executive can designate any of its officials to cast its weighted vote. Regional parliaments, not executives, designate representatives in the Austrian *Bundesrat*. In Russia, each *subwekt federacii* sends a delegate from its legislature and one from its executive to sit in the upper chamber, the *Soviet Federatsii*. Each of these variants scores 0.5.

The Spanish *Senado* illustrates that the two principles of regional representation—equality of regional representation and direct government representation—can be present in the same body for different regional levels. Each mainland province receives four seats in the *Senado* (large islands have three seats, small islands two). Provincial senators are directly elected in each province. Provinces score 0.5 for the principle of regional representation and zero for direct government representation. The remaining seats in the upper chamber are divided among *comunidades autónomas* and selected by each *comunidad* assembly on the basis of one seat per million inhabitants, with a minimum of one seat. The overall allocation of seats in the *Senado* is roughly proportional to population (four of 17 *comunidades* have a population less than one million). *Comunidades* score zero on the principle of regional representation and 0.5 for direct government representation.

Regions that meet the criterion of regional representation, score an additional half point if representatives of a given regional tier constitute a majority of the chamber, as in the US Senate, the German *Bundesrat*, the Austrian *Bundesrat*, and the Dutch *Eerste Kamer*. Belgian provinces, which until their abolition in 1995, were allocated one third of the seats in the senate, fall just short, as do *comunidades autónomas* in Spain.

An additional half point is scored if a legislature with regional representation can veto ordinary legislation or if its amendments can be overridden only by supermajority in the other chamber. The Austrian *Bundesrat* scores zero on this criterion because it can be overridden by a simple majority in the lower chamber, as can the Chamber of Counties in Croatia, which, until it was abolished in 2001, was a consultative not a legislative chamber. The Belgian senate exercises equal legislative powers with the lower chamber on freedom of religion, language use, the judicial system, international treaties and constitutional change, and scores 0.5.

Executive Control

Regional governments may share executive authority with central government in the context of intergovernmental meetings. To score positively on this scale, such meetings must be routinized, not *ad hoc*, and to score the maximum 2 points, such meetings must be authoritative—they must reach decisions that formally bind the participants.

Executive Power Sharing

- 0:** no routine meetings between central government and regional governments to negotiate policy;
- 1:** routine meetings between central government and regional governments without legally binding authority;
- 2:** routine meetings between central government and regional governments with authority to reach legally binding decisions.

These distinctions are illustrated in the course of German intergovernmental relations from the early days of the Federal Republic. The first meeting, in 1950, between *Land* premiers (*Ministerpräsidenten*) and the federal Chancellor was an *ad hoc* consultative meeting. It was followed from the 1950s by routinized, but still consultative, meetings between *Länder* and federal ministers. These score 1 on this

measure. In 1964, the two government levels clinched an agreement on joint policy tasks which were negotiated in routine, authoritative intergovernmental meetings; this scores 2. Spanish *comunidades autónomas*, by contrast, confer with the federal government on an *ad hoc*, bilateral, basis and, correspondingly, score zero.

In the USA, executive federalism is often characterized as extensive, but it is rarely binding on the federal government. Executive power sharing is shaped by federal financial incentives which states may accept or reject. Individual states may escape compulsory federal programmes, but have limited opportunities to influence, let alone co-decide, such programmes. States tend to shape policy further downstream in the policy cycle, in bilateral negotiations concerning implementation and funding. There is also extensive horizontal co-operation among states sharing problems or policy outlooks, and while such co-operation may be binding, it does not shape national policy. US states score 1, not 2, on this measure.

Executive power sharing in Germany and the USA highlights an important criterion: routine meetings must be vertical, that is to say, they must include both regional and national government. Horizontal inter-regional co-ordination does not amount to shared rule in *national* policy making. Inter-cantonal co-operation is extensive in Switzerland and often leads to binding agreements. However, cantonal–federal co-operation is more irregular and almost never leads to binding decisions. So Swiss cantons score 1 not 2. By responding to functional pressures for regional co-ordination, Swiss cantons pre-empt federal policy. Here, then, is an example where extensive regional self-rule reduces the incentive for regions to grab a share of national authority. The two most decentralized federations in the dataset—Bosnia and Herzegovina and Serbia and Montenegro—have no executive shared rule.

Fiscal Control

Shared rule on taxation is a special case of legislative or executive shared rule. Yet fiscal extraction and allocation are consequential enough to be considered separately. Regional governments may influence the distribution of national tax revenues, including intergovernmental grants, directly in the context of intergovernmental meetings, or indirectly via their representatives in a legislature with regional representation. If regional governments negotiate over the distribution of tax revenues via either channel they score 1; if they have a veto, they score 2.

Fiscal Control

- 0:** regional governments or their representatives in the legislature are not consulted over the distribution of tax revenues;
- 1:** regional governments or their representatives in the legislature negotiate over the distribution of tax revenues, but do not have a veto;
- 2:** regional governments or their representatives in the legislature have a veto over the distribution of tax revenues.

To score 1 via the legislative route to shared rule on taxes, the legislature in question must have authority over the distribution of tax revenues. If the representatives of a regional level constitute a *majority* in a legislature and the legislature has a *veto* on the distribution of tax revenues, this scores 2.

Dutch *provincies* and Swedish *län* (until the abolition of the upper chamber in 1971) meet the latter conditions: they form or formed a majority in upper chambers with a veto on the tax revenue allocation. Spanish *comunidades* score 1 because they are a minority in an upper chamber that can be overridden by a majority in the lower chamber. Belgian provinces were (until 1995) represented in an upper chamber with a tax veto, but they never constituted a majority and, therefore, score 1.

In order to score 1 on executive shared rule on taxes, regional governments must be involved directly in negotiation and, to score 2, they must be able to exercise a veto. Negotiations among peak associations of regional and local governments and the central government in Denmark and Sweden do not fulfil the first criterion. The peak associations cannot legally commit their members and, in both countries, the legislature reserves the right to take unilateral action, and has done so. The process provides the central government with a lever for constraining subnational spending, but gives regional governments little influence over national fiscal policy.

Executive shared rule on public policy often extends to the distribution of tax revenues. However, it need not do so. In Germany, a constitutional amendment granted *Länder* shared rule over taxation in 1966, two years after executive power sharing came into effect. Australian states have engaged in executive power sharing since 1950, but this was extended to taxation only in 1999. Conversely, regional governments in Russia, Bosnia and Herzegovina, and Serbia and Montenegro have shared rule over taxes, but this is not generalized to other policy areas.

Constitutional Reform

Constitutional authority is a special kind of authority, for it concerns control over the rules of the game.

The schema distinguishes between regional actors (i.e. electorates or regionally elected representatives) and regional governments. If the assent of regional electorates or their representatives is necessary for constitutional change, this scores 1 point; 2 points are scored if regional governments can raise the barrier for constitutional change; and 3 points if regional governments can veto constitutional change.

Constitutional Reform

- 0:** the central government and/or national electorate can unilaterally change the constitution;
- 1:** a legislature based on the principle of regional representation must approve constitutional change; or constitutional change requires a referendum based on the principle of equal regional representation (i.e. approval in a majority of regions);
- 2:** regional governments are a directly represented majority in a legislature which can do one or more of the following:
 - postpone constitutional reform
 - introduce amendments
 - raise the decision hurdle in the other chamber
 - require a second vote in the other chamber
 - require a popular referendum
- 3:** a majority of regional governments can veto constitutional change.

We score zero where regional actors or regional governments cannot formally veto or raise the hurdle for constitutional reform. Until 2001, the Croatian upper chamber, composed of *županija*-appointed representatives, had the right to be consulted on constitutional reform, but it could not amend or raise the hurdle, and scores zero. In Spain, *comunidad*-appointed senators make up less than 20% of the *Senado* and are too small a minority to block constitutional reform. Directly elected senators from Spanish *provincias*, by contrast, can veto constitutional bills and, consequently, score 1. Since the reorganization of the Belgian senate in 1995, the 21 senators elected from community parliaments make up about 30% of the senate and are thus not much more potent than the representatives of Spanish *comunidades* in the face of constitutional reform, which requires a two-thirds majority in both chambers. However, there are also 40 directly elected senators from Belgian communities, and they have the numbers to veto constitutional change, so Belgian communities score 1.

We score 1 where regional governments cannot block constitutional reform, but regional voters or their representatives can. The latter requires that preferences are aggregated on the principle of regional, not individual, representation. This is the case, for example, in Switzerland and Australia, where constitutional reform requires a double majority in a referendum—a majority of voters in a majority of regions as well as in the country as a whole. And, as noted above, it is the case in Spain (for provinces) and in Belgium (for communities).

Neither Ireland nor Italy receives a positive score on this measure because constitutional reform is not determined under a regional principle of preference aggregation. In Ireland constitutional amendments require a nation-wide referendum without a regional hurdle. In Italy constitutional amendments need a majority in a senate which allocates seats to regions in proportion to their population.

Regional governments must get into the act to score 2 or 3. This reflects the basic difference between regions as arenas and regions as governments. Despite their impressive authority, Swiss cantons do not play a direct role in constitutional change. Indeed, as one observer remarked, “direct democracy has been continuously strengthened at the expense of the influence of cantonal executives and legislatures” (Vatter, 2005: 10). In this respect, Austrian and German *Länder* are more authoritative. German *Länder* are represented directly in the *Bundesrat*, which must approve constitutional change by a two-thirds majority. Prior to 1984, Austrian *Länder* were institutionally represented in the *Bundesrat* and had the power to postpone constitutional reform or raise the impediment of a referendum (=2); after 1984 they gained a veto over legislation that directly affects the federal-*Land* distribution of competencies and the organization of the *Bundesrat* (=3).

In some cases, particularly in the UK and its former colonies, the distinction between formal constitutional rules and semi-formal norms is blurred, and this can complicate coding decisions. Canada provides some instructive examples.

Until 1982, the ultimate authority for constitutional change in Canada was vested in the British Parliament with the understanding (at least in the twentieth century) that no changes would be made unless proposed by the Canadian government. But there was also a precedent, established in 1940, that amendments need the consent of all, or a majority, of provinces. Nevertheless, in 1980, Canadian Prime Minister Pierre Trudeau sought to repatriate the constitution without provincial consent. Several

provinces objected and, in a reference case, the British Law Lords blocked repatriation by ruling that federal unilateralism, though legal in a narrow sense, violated an established constitutional convention. We interpret this to mean that provinces had veto powers on constitutional change between 1950 and 1981. The 1982 Canadian constitution consolidated this precedent in articles 38 and 41.

Formal rules and informal practice diverge in Canada with respect to the inclusion of the Northwest Territories and Nunavut in constitutional negotiation. Neither has a constitutionally guaranteed role (unlike the Yukon which must be consulted by the federal government concerning changes in its statute), but both were full partners in the Charlotte-town negotiations of 1992 concerning federal/provincial relations. Future negotiations may follow this norm, but so far it has not been confirmed in the constitution or by the courts. In this case, we judge the formal rule to be non-inclusion, and the Northwest Territories and Nunavut score zero on constitutional change before and after 1992.

A final example is the defeat of the Charlottetown accord and the emergence of a norm that federal and provincial governments in Canada legitimate any negotiated constitutional reform in a popular referendum. After unanimous approval of the 1992 Charlottetown accord by provincial, territorial and federal governments, the federal government conceded to pressure to hold 11 referenda (Quebec held its own). Although the results were not formally binding (except in Quebec, British Columbia and Alberta), the government promised that the accord would be implemented only if it was approved by a majority of voters nationally and by a majority in each province. Formal rules for constitutional amendment require consent among provincial governments (excluding territorial governments) and the federal government, and this is what is coded, but a gap has appeared between what the constitution formally prescribes and what is politically feasible.

Asymmetrical and Special Autonomous Regions

We speak of an asymmetrical arrangement when a region falls under a country-wide constitutional structure, but enjoys different (usually greater) authority.¹² Asymmetrical arrangements may be temporary, as arguably for the historical regions in Spain, or indefinite, as for the *respubliki* in Russia or the Brussels region or German community in Belgium.

Special autonomous regions differ from asymmetrical regions in that their statute is *sui generis*: they are exempt from the country-wide constitutional framework, and they receive special treatment in the constitution and in statutory law.¹³ Examples are Åland (Finland), Greenland and the Faroe Islands (Denmark), and the Azores and Madeira (Portugal).¹⁴

Thus, while asymmetrical regions could be described as \pm typical regions, special autonomous regions are more aptly conceived as opt-outs. Asymmetrical regions belong to a particular regional tier; special autonomous regions are usually *sui generis*.

We apply the same criteria for measuring the authority of asymmetrical regions as for other regions. For special autonomous regions, we use the same criteria for institutional depth, policy scope, fiscal autonomy and representation. However, we adjust the criteria of shared rule to tap the extent to which a special autonomous region influences national legislation with respect to its territory, rather than for the country as a whole. The source of such authority is mainly executive, rather than legislative, power sharing—it involves negotiation between the regional and national executive.

Law Making

0.5 is scored for each of the following characteristics. Aggregate scores range between 0 and 2:

- the region is the unit of representation in the legislature;
- the regional government designates representatives in the legislature;
- the regional government or the regional representatives in the legislature negotiate on national legislation affecting the region;^a
- the regional government or the regional representatives in the legislature have veto power over national legislation affecting the region.^a

^aevaluated if at least one of the first two conditions is met.

Executive Control

- 0:** no routine meetings between central government and the regional government;
- 1:** routine meetings between central government and the regional government without legally binding authority;
- 2:** routine meetings between central government and regional government with legally binding authority.

Fiscal Control

- 0:** the regional government is not consulted over the distribution of tax revenues affecting the region;
- 1:** the regional government negotiates with the central government the distribution of tax revenues affecting the region, but does not have a veto;
- 2:** the regional government has a veto over the distribution of tax revenues affecting the region.

Constitutional Reform

- 0:** the national government or electorate decides unilaterally on constitutional change affecting the region's position in the national state;
- 1:** the regional government is consulted on constitutional change affecting the region's position in the national state, but consultation is not binding;
- 2:** the regional government and the central government co-decide constitutional change affecting the region's position in the national state: both have veto power;
- 3:** the regional government can unilaterally accept or reject constitutional change affecting the region's position in the national state.

The historical *comunidades* in Spain are categorized as asymmetrical regions. The Spanish constitution integrates them in a national framework by conceptualizing them as one of two routes to regional autonomy, even though there are a few special arrangements, e.g. with respect to taxation in the Basque country and Navarre.

On balance, the German-speaking community in Belgium also appears asymmetrical rather than special. Article 4 of the Belgian constitution recognizes the German community as one of three cultural–linguistic communities, and it does not have a special relationship to the Belgian state. The German community (unlike the French and Flemish communities) has no constitutional shared rule and its status is subject to simple majorities (not supermajorities) in both national chambers. However, the status of the German community is integrated in the Belgian constitutional framework.

Conversely, Scotland, Wales and Northern Ireland are treated as special autonomous regions because each has a unique status that is not specified in an overarching set of constitutional norms. Each is regarded as a separate nation with a distinct association to the political centre.

When asymmetry becomes wide-ranging and widespread, a country may begin to resemble a patchwork of special autonomous regions. Is it possible to conceive of a polity where all or most regions are special? Between 1993 and 2000, 51 of 89 *subwekty federacji* took advantage of a provision in the Russian constitution that allowed bilateral arrangements between a *subwekt* and Moscow. If this practice had continued (in 2000 the Duma nullified the provision), Russia would have become a conglomerate of special autonomous regions.

Special autonomous regions often face a sharp trade-off between deciding their own fate and co-determining that of the country. Australian territories can do a bit of the latter and none of the former. The Azores, Madeira, the Faroe, Greenland, Åland, Scotland, Wales, Vojvodina (within Serbia) and the Italian *regioni a statuto speciale* (since 2001) have control over the former, but little to none over the latter. Others, such as the Yukon in Canada or the Italian *regioni a statuto speciale* (until 2001), have some limited input in their own fate and none in the collective framework. Yet others, including Washington DC and Corsica, have neither. No special autonomous region has both in full measure.

Country Scores

Country scores are obtained by first calculating a score for each regional tier and then aggregating these scores. Hence, the more regional tiers a country has, the higher is the country score, all other things being equal. The general principle is that decentralization scores are weighted by population. The following aggregation rules are employed:

- horizontal asymmetry—where a tier is composed of regions with different scores, an average score for that tier is calculated by weighting each region's score by its population;
- vertical asymmetry—where lower-level regions exist only in some higher-level regions or where scores for lower-level regions vary between higher-level regions,

the lower-level scores are weighted by the population of the higher-level regions of which they are a part;

- special autonomy—special autonomous regions are weighted by their population relative to that of the national population.

Detailed country profiles are presented in Appendix A, country and regional scores in Appendix B, and key primary and secondary sources in Appendix C.

Notes

¹*Waterschappen* pass binding regulations, levy taxes and are directly elected. Their origins go back at least as far as the twelfth century. Safeguarding dykes, controlling and adjusting the water level, and ensuring clean drinking water are important in a country which is mostly below sea level. However, the sole function of *waterschappen* is water management. The *waterschappen* are type 2 jurisdictions, i.e. functionally specific jurisdictions designed around a limited set of policy problems (Hooghe and Marks, 2003).

²These categories bundle policies in some conventional containers. A potentially more accurate approach would be to evaluate policy scope at the level of individual policies. That task is, however, complicated because we currently lack a systematic hierarchical categorization of policy, e.g. along the lines of the International Standards Classification of Occupations (ISCO).

³US Supreme Court, in *Hampton v. Mow Sun Wong*, 426 U.S. 88, 101 n. 21 (1976).

⁴Jorgen Gronnegaard Christensen (2000: 393) observes that Danish local authorities are keenly aware that “the transfer of functional and fiscal responsibilities from central to local governments does not say much about local government autonomy”. “As in Sweden and Norway, the increasing importance of subnational governments led to a central government interest in greater financial control. The instruments to be used in Denmark ... resembled those used in Sweden in the 1970s, i.e. control was pursued through the corporatist arena”, that is to say, through “agreements between the central government and the associations of counties and municipalities”, which made subnational spending conditional upon central government approval (Blom-Hansen, 1999: 55).

⁵Data are for 2001 (OECD). A perverse theory of fiscal decentralization might expect the share of public expenditure to be related *negatively* to subnational discretion on the grounds that central actors allow subnational administration to spend only when that spending is dictated by the centre.

⁶The same applies to share of subnational public employment. On this measure, Luxembourg comes out top, followed by Greece. Subnational employment is a larger share of public employment in Turkey than it is in Austria, Italy, or Spain, countries which are far more decentralized.

⁷A league table for share of government revenue suggests this. Canada and the United States, where subnational governments have extensive discretion in setting base and rate of taxes, are at the top, but they are followed by Ireland, Finland, Germany and Sweden—where subnational governments are much more constrained in determining the level and composition of the taxes they receive. Spain and Belgium would face relegation if this was a football league.

⁸Here is an instance where the reliability of the data, which is high, is no guide to their validity, which is low. The correlation between *subnational tax revenues* as a percentage of all taxes with a measure of *tax discretion* is 0.19 ($p = 0.46$, $n = 19$) (Joumard and Kongsrud, 2003). Yet, “There seems to be consensus that the share of expenditures of subnational governments in consolidated government expenditures is the best proxy for the degree of decentralization” (Breuss and Eller, 2004: 42). Schakel (2008, this issue) details the limitations of tax revenues as a measure of regional authority.

⁹A tax is a “pecuniary burden upon individuals or property to support the government ... a payment exacted by legislative authority ... [It is] an enforced contribution ... imposed by government whether under the name of toll, tribute, tallage, gabel, impost, duty, custom, excise, subsidy, aid, supply, or other name” (Campbell, 1979: 307). Coding taxes must navigate national particularities in labelling. The income tax on profits made by companies or associations is labelled corporate tax in the USA, corporation tax in the UK and Ireland, and tax on enterprise profits in Russia. In Japan, it goes by several names depending on who is in charge of particular components; at the prefectural

level, it is called the enterprise tax. This ranking of categories does not allow for the possibility that a regional government may control the tax base, but not the tax rate. However, this occurs only twice in an OECD dataset covering all taxes for 35 subnational governments in 19 countries; in Poland it accounts for 1% of local government revenue, and in the Czech Republic it accounts for 3% of local government revenue.

¹⁰Treisman (2007) makes the same distinction.

¹¹Commissioners were actively involved in territorial policy making in the Northwest Territories until 1978, Yukon until 1977 and Nunavut until 1998. After these dates, the job description of the commissioner was rewritten to resemble that of his counterpart in the provinces. At the provincial level, lieutenant-generals became slightly more influential once they were appointed by the Canadian federal government, but not enough in our judgment to be considered as sharing executive authority.

¹²We code asymmetry only to the extent that it is reflected in the constitutional and legal framework. This differs from political asymmetry, which “arises from the impact of cultural, economic, social and political conditions affecting the relative power, influence and relations of different regional units with each other and with the federal government” (Watts, 1999: 63).

¹³Our notion of special autonomous region is consistent with the three special arrangements that Daniel Elazar (1997: 398) defined as associated state, federacy and home-rule territory—in order of declining autonomy. An ‘associated state’ is an arrangement whereby a larger power and smaller polity are linked asymmetrically in a federal relationship in which the latter has substantial autonomy and in return has a minimal role in the governance of the larger power; like a confederation, it can be dissolved unilaterally by either of the parties under pre-arranged terms. A ‘federacy’ is similar to an associated state in terms of internal autonomy, except that, like in a federation, the relationship between them can be dissolved only by mutual agreement. Finally, ‘home-rule territories’ have significant powers of self-government, but unlike the federacy and associated state relationships, the central government typically plays an active role in some areas of the home-rule territory’s internal government, such as internal security, judicial matters and economic and monetary matters.

¹⁴Many special autonomous regions do not meet the 150 000 population criterion. They are, in descending order of population (latest year available, usually 2006): Aosta Valley (123 978) (Italy); Ceuta (76 861) and Melilla (66 871) (Spain); Greenland (57 100) and Faroe Islands (48 500) (Denmark); Northwest Territories (42 425), Nunavut (31 127) and Yukon (31 115) (Canada); Åland Islands (26 711) (Finland). The following special autonomous regions meet the criterion: Australian Capital Territory and Northern Territory (Canada); Corsica (France); Friuli-Venezia Giulia, Sardinia, Sicily, Trentino-Alto Adige/Südtirol (Italy); Vojvodina and Kosovo (until 1998) (Serbia); Northern Ireland, Scotland and Wales (UK); and Alaska (until 1958), Hawaii (until 1958) and Washington DC (USA).

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