

## **New trends& Models in Federalism**

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**Abstract:** *Although the word "federalism" is sandwiched in comparative politics, the paradigmatic conceptual analysis of the term boarder on different perspectives and particularly centers on its philosophical underpins in terms of appropriate terminology and classification. Attempts to study federalism constitute a part of comparative politics or political institutions since federalism is not only cross-national but a cross-cultural research. While the study of federalism has in many respects reached an advanced stage today, there nevertheless remains a troubling absence of agreement as to the precise meaning of the concept. This study examined critically, the new trends and models in the concept of federalism in different kind as a system of government in various states and nations of the world. The major objective of this work, however, has been to bring to attention the general new trends in federalism and to outline the simplicity of different forms and explore new trends in federalism as seen by various scholars in the field of political science in relation to federalism. The original intention of this paper was to examine and evaluate how the recent popularity of the new concept of "different kind of federalism" in the general political science literature has affected and influenced current theoretical trends in the study of comparative federalism. Secondary sources were used as major materials in generating data for this work; published books and articles, journal articles, internet articles were consulted for data, documentaries and other secondary sources were also consulted. The research argue that the experience with the unprecedented and unconventional expansion of the new trends in federal concept serves to enrich the theory of federalism in declaring or undeclaring received knowledge about the new trends and models of federal systems the world over.*

**Key-words:** *Federalism, definition, Dual Federalism, competitive federalism, Asymmetric Federalism, federal union, Confederal Government and Multi-Level Governance*

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### **I. Introduction**

The study of federalism construed in its broadest sense is fraught with difficulties that are reflected in both theory and practice. The term 'federal' has both an empirical and a theoretical resonance. There are a range of factors poised to test the effectiveness, adaptability and flexibility of the federation, and perhaps determine its future character. Over the past several decades, there have been a number of contributions to what has been an ongoing discussion about the form, content and character of intergovernmental and state society relations in the federal government.

A federation is a particular kind of state. It is a distinctive organisational form or institutional fact the main purpose of which is to accommodate the constituent units of a union in the decision-making procedure of the central government by means of constitutional entrenchment. But the relationship between federalism and federation is complex. Federalism informs federation and vice versa. And there are much federalism that differ widely in their content. They reflect different constellations and configurations of cleavage patterns in a territorial and non-territorial sense, power and relationships between them.

The appearance or imminent arrival of a 'new trends in federalism' has been a repeated theme in the study of federalism in the world and in the pronouncements of federal governments. Thus, in the postwar or modern era, the 'cooperative' federalism, The Dual Federalism & Cooperative federalism, the competitive federalism, Asymmetric Federalism, Market Preserving Federalism, Confederal Government and Multi-Level Governance that prevailed during the quarter-century of growth and prosperity that followed the war was replaced by scholars in 1970s and '80s. In this paper I shall seek to explore many of the conventional obstacles to studying federalism by adopting the new conceptual distinction between federalism and new trends in federation.

### **II. Concept of federalism**

The term "federal" derived from the Latin *foedus*, which mean, "covenant". This embodies ideas of promise, commitment and undertaking; and therefore, the federal idea involves cooperation, reciprocity and mutuality (Chen, 1999). Consequent to the emergence of new development in the world and global economy and new thoughts this classical definition of federalism has undergone change. The political science literature

on federalism seems today to have reached a mature state of development. Sophisticated comparative analyses, global in scope, now yield a wealth of fruitful insights into the nature and functioning of federal systems of government. (Anderson George, 2008).

The intellectual debate about modern federalism – its meaning and significance – can be traced back to the late eighteenth century. The peculiar circumstances that surrounded the shift from confederation to federation in the United States of America in the years between 1781 and 1789 shaped and molded the nature of the subsequent intellectual debate in a way which had far-reaching consequences for understanding one of the most important historical innovations in modern government and politics. The American federal model established in 1789 was based upon a set of core principles that were consciously imitated by others, and in consequence it helped to spark an enduring analytical debate about what it meant to be ‘federal’. In this sense the American federal precedent corresponded simultaneously to both theory and practice.

Attempts over many decades at establishing a consensus on the exact meaning of the concept have thus far proved in vain. As Sbragia points out: ‘... scholars of federalism find it impossible to agree on a common definition’ (1992: 259). They instead by default acknowledge the existence of ‘numerous overlapping definitions’ (Pollack 2010: 28). The concept was initially defined for comparative politics and other political science writings in legal constitutional and institutional terms by the British constitutional scholar K.C. Wheare, in his seminal study *Federal Government*, first published in 1946. The seminal attempt at defining federalism was made by Wheare in his 1946 work *Federal Government*. This forms the bedrock of the modern literature on the concept and remains today the most common point of departure for scholars working in the field. Wheare based his ‘federal principle’ explicitly upon the pioneering example of what he termed ‘modern’ federalism seen in the United States of America: a compound polity in which two ‘coequally supreme’ levels of government both acted directly on the citizen through their own law, under a written constitution. Wheare attempted to offer a precise and empirically operational definition of federalism which could be used as a guiding framework or “principle” for comparing different types of federal political systems. He therefore defined “federalism” as “a system of government in which authority is divided between national and regional governments so that each remained, within a sphere, coordinate (i.e. legally co-equal) and independent.” The emphasis in his definition of the concept was on the division of powers both constitutionally and in practice (Wheare, 4th ed., 1963). He was thus led to define it as follows:

‘By the federal principle I mean the method of dividing powers so that the general and regional governments are each, within a sphere, co-ordinate and independent’ (1946: 11).

For the next 25 years (until about 1970) this definition of the concept of “federalism” was embraced by many Anglo-American and English-language academics. Although it helped to foster a period of considerable theoretical growth and broad dissemination of the concept, it was also continuously redefined and reapplied in a manner that paralleled closely the conceptual and paradigmatic changes in the discipline as a whole. Thus in much the same way as “behaviouralists” and other political scientists criticized the excessively formalistic and institutional orientation of pre-World War II American political science, some leading federal theorists attacked and devised alternative approaches to the narrow legal-institutional concept of federalism defined by Wheare.

Among these critics were W.S. Livingston, who redefined federalism sociologically as “a device by which the federal qualities of a society are articulated and protected” (Livingston 1952); William Riker, who recast federalism in power political and rational choice terms as a political “bargain” (Riker 1964); Carl Friedrich, who viewed federalism as an ongoing and developing “political process” (Friedrich 1968); and Daniel Elazar, who initially promoted a definition of federalism as a harmonious “partnership” between national and regional governments (Elazar 1962, 1966).

The concept referred to as federalism is concerned about the need for an orderly arrangement of relationship among different tiers of government in a nation. Wheare (1963) notes that federalism refers to the method of dividing powers so that general and regional governments are each, within a sphere, coordinate and independent. It is a principle of organization and practice whose ultimate test is how the federal system operates”. Elaborating on this, Friedrich (1963) explains that federalism seems the most suitable term by which to designate the process of federalizing a political community, that is to say, the process by which a number of separate political organizations, be they states or any kind of association, enter into agreements for working out solutions, adopting joint policies and making decisions on joint problems. Elaborating further, Tamuno (1998:13) states that federalism, as I understand it, is that form of government where the component units of a political organization participate in sharing powers and functions in a cooperative manner though the combined forces of ethnic pluralism and cultural diversity, among others, tend to pull their people apart.

### **III. Federalism in Practice**

At the frontier of research today, the scholarship is attempting to come to terms with a broader variety of intermediate political systems now occurring than the single traditionally-known mixed structure of the federation (or federal state). Such forms, sometimes seemingly entirely novel in character, appear to lie along

the integratory pathway on the margins of the central 'compound' space either side. Here, at the interface where federalism meets other types of political order, definitional and conceptual ambiguity poses significant intellectual difficulties. The literature currently provides no clear answer to this question. Whilst some authors consider it to meet the requirements of federalism (Burgess Michael, 2000). The lack of a complete appreciation of the meaning and definition of federalism thus represents a serious weakness that now requires urgent attention.

A federal form of government has a multi-order structure, with all orders of government having some independent as well as shared decision-making responsibilities. Federalism represents either a "coming together" or a "holding together" of constituent geographic units to take advantage of the greatness and smallness of nations in a flat (globalized) world in which many nation-states are too large to address the small things in life and too small to address large tasks. (Anwar Shah, 2006) (Subscribing to the "coming together" view of federalism, Daniel J. Elazar pointed out and elaborated that the word "federalism" has its roots in the Latin *foedus*, meaning "league," "treaty," or "compact." (Daniel J. Elazar, 1980) More recently, Robert Inman noted that "the word 'federal' has come to represent any form of government that brings together, in an alliance, constituent governments each of which recognizes the legitimacy of an overarching central government to make decisions on some matters once exclusively the responsibility of individual member states." (Robert Inman, 2006) "Coming together" has been the guiding framework for mature federations such as the United States, Canada, and, more recently, the European Union. The alternative "holding together" view of federalism, also called "new federalism," represents an attempt to decentralize responsibilities to state-local orders of government with a view to overcoming regional and local discontent with central policies. This view is the driving force behind the current interest in principles of federalism in unitary countries such as Sri Lanka and Britain and in relatively newer federations such as Brazil and India and emerging federations such as Iraq, Spain, and South Africa.

Federalism emerged as an important instrument of nation/state building after the collapse of European colonial empires in the immediate post World War II period (Watts 1996). In this respect, many post-colonial multi-ethnic countries of Asia and Africa adopted federalism. Even if several of these federations failed in their infancy, the role of federalism in balancing the competing and perhaps conflicting demands for autonomy and unity in such countries as India, Malaysia and Nigeria could not be doubted (Rothchild 1966).

Since the end of the Cold War, federalism once again emerged into the spotlight because of two contradictory developments. First, the disintegration of the socialist federations of the USSR, Yugoslavia and Czechoslovakia refreshed doubts about stability and durability of multiethnic federations. The continuing standoff in Canada over the question of Quebec's independence and the frequent political stalemates that characterise federal Belgium strengthen uneasiness about the stability of multi-ethnic federations. Second, in spite of these problems, politicians, used to reconstitute multiethnic countries through federalism after the collapse of authoritarian regimes and centralist nation-building projects. For instance, international powers imposed federalism to reconstitute Bosnia-Herzegovina after a bitter war and genocide that accompanied the disintegration of Yugoslavia. Russia adopted federalism to maintain what is left of the Soviet Union. Ethiopia adopted ethnic federalism in 1991 after the end of military dictatorship. Recently, the American led international forces caused the reconstitution of Iraq as an ethnic federation following their invasion and occupation of the country in 2003. There are also calls for a federal arrangement for such countries as Sri Lanka and Somalia that were torn apart by decades of bitter conflicts. There is, therefore, a growing interest in the use of federalism as a way of managing ethnically diverse countries. In ethnically divided countries, the hope is that political recognition of cultural and ethnic pluralism through federalism reduces ethnic tensions and conflicts. That is why federalism has been presented as a compromise between ethnonationalism, which like nationalism in its classical form advocates congruence between nations and states (Gellner 1983: 1; Hobswam 1990: 9), and assimilationist centralization by dominant ethnic groups in multiethnic countries.

However, Democracy does not guarantee sufficient representation for all interest groups, as majority rule may permanently shut minorities out of power. In such circumstances of politically mobilized ethnic consciousness, a unitary state is liable to leave minority ethnic groups feeling powerless, insecure and excluded (Diamond 1999:151). The lack of influence over decision-making and recognition often leads to secessionist movements of mobilized ethnic groups. Federalism<sup>2</sup> plays a valuable role in strengthening democracy by institutionalizing decentralization and thus preserving the autonomy of regional and local governments, and providing a better representation to minority groups.

"Therefore federalism can hold a multi-ethnic state together, by reconciling nationalism and democracy in a multi-ethnic state, giving territorial concentrated minorities authority over matters of local concern, security in the use of their language, culture, and religion, and protection from the discretion of the sentiments of the national majority" (Diamond 1999:152).

In highly polarized societies, parties may agree to design the geographic boundaries of the federal states along the geographic boundaries of ethnic communities. As Fleiner et al. point out, this can critically also

be seen as a policy of ethnic separation that increases intercultural conflict potentials instead of reducing them. Yet, empirical evidence still needs to be provided for this critical assessment (quoted in Christine, 2003, and Fleiner 2002:250).

Countries seeking to maintain the unity of the state in multiethnic and multinational societies choose federalism as a form of geographical pluralism. A federation is a way of bridging ethnic diversity by incorporating such differences within a wider political community.<sup>1</sup>

A federal form of government promotes decentralized decision making and, therefore, is conducive to greater freedom of choice, diversity of preferences in public services, political participation, innovation, and accountability<sup>2</sup>. It is also better adapted to handle regional conflicts. Such a system, however, is open to a great deal of duplication and confusion in areas of shared rule and requires special institutional arrangements to secure national unity, ensure regional equity, and preserve an internal common market.

Statistics indicate that there are 24 existing federations, populated by about 2 billion people or 40% of the world's population, which encompass about 480 constituents or federal entities. Some of these federations span an entire continent (Canada, Russia) or bring together immense population (India), while others are very small in size (Comoros) or population, some are well established federations (United States, 1789; Switzerland, 1848; Canada, 1867; Australia, 1901)

Federalism has traditionally been viewed as one of the most ideal institutional devices by which to territorially organise those political groups characterised by a high degree of social complexity. Daniel Elazar, one of the most renowned scholars of federalism, observed that more than a third of all countries make use of some kind of federal agreement for their territorial organisation, even going so far as to talk of a worldwide "federal revolution". However, this does not mean that all these countries are federal states or federations in a strict sense. In a far more recent study, Ronald Watts has argued that only 13% of current states are, in fact, federal (Elazar D, 1987 & Watts 1999). Analysing the most widespread typologies within the current study of federalism we can distinguish - in very general terms - main classes of federal government: the Dual Federalism & Cooperative federalism, the competitive federalism, Asymmetric Federalism, Market Preserving Federalism, Confederal Government and Multi-Level Governance.

#### **IV. The Dual Federalism & Cooperative federalism**

Federal countries broadly conform to one of two models: dual federalism or cooperative federalism. Under dual federalism, the responsibilities of the federal and state governments are separate and distinct. The working of the federations of Australia, Canada, India, Pakistan, and the United States resembles the coordinate-authority model of dual federalism. According to William H. Riker, under such a system, "two levels of government rule the same land and the people, (2) each level has at least one area of action in which it is autonomous, and (3) there is some guarantee ... of the autonomy of each government in its own sphere." (William H. Riker, 1964) Under cooperative federalism, the responsibilities of various orders are mostly interlinked. Under both these models, fiscal tiers are organized so that the national and state governments have independent authority in their areas of responsibility and act as equal partners. National and state governments often assume competitive, non-cooperative roles under such an arrangement. Dual federalism takes either the layer cake or coordinate-authority approach. Under the layer-cake model, practised in Mexico, Malaysia, and Russia, there is a hierarchical (unitary) type of relationship among the various orders of government. The national government is at the apex, and it has the option to deal with local governments either through state governments or more directly. Local governments do not have any constitutional status: they are simply extensions of state governments and derive their authority from state governments. In the coordinate-authority model of dual federalism, states enjoy significant autonomy from the federal government.

Moreover, the cooperative federalism model has, in practice, taken three forms: interdependent spheres, marble cake, and independent spheres. In the interdependent spheres variety as practised in Germany and South Africa (a unitary country with federal features), the federal government determines policy, and the state and local governments act as implementation agents for federally determined policies. In view of federal domination of policy making, in this model, state/provincial governments have a voice in federal policy making through a second chamber (the upper house of the Parliament). In Germany and South Africa, the second-order (state) governments are represented in the upper house of the national parliament (the Bundesrat and the Council

<sup>1</sup>Many federations emerged as voluntary associations between previously autonomous states, like in the United States, Switzerland, Canada, or Australia. It is also possible for unitary states to restructure as a federation, like e.g. Belgium which is the main example for this more rare occurrence, or that federal structures are chosen in the process of nationbuilding what many third-world countries did after the colonial rule (Hague/Harrop et al. 1998:168).

<sup>2</sup>Not all federal countries are decentralized and not all unitary countries are centralized. For example, Canada is highly decentralized, but Australia and Germany are centralized federations, as is indicated by the share of subnational expenditures in consolidated public expenditures. Nordic unitary countries are more decentralized than are Australia and Germany.

of the Provinces, respectively). In the marble cake model of cooperative federalism, various orders of government have overlapping and shared responsibilities, and all constituent governments are treated as equal partners in the federation. Belgium, with its three territorial and four linguistic jurisdictions, has a strong affinity with this approach. Finally, in a model of cooperative federalism with independent spheres of government, all orders of government enjoy autonomous and equal status and coordinate their policies horizontally and vertically. Brazil is the only federation practising this form of federalism.

Under this model, the national government places its superior resources at the disposal of state and local governments for management of national priorities. (Chanchal Kumar Sharma, 2015) All levels work within an intricate framework of cooperative relationships while the national government plays the role of leader and facilitator. Cooperative federalism can tilt towards the coercive type if the higher level of government coerces the lower level to action in the name of the national interest or welfare of the citizens. It can lean towards uncooperative federalism if lower levels resist national intervention and assert autonomy.

Theoretically, the cooperative framework preserves the structural integrity of each level of government while enabling them to exercise their autonomous powers 'in a cooperative manner'. (Chanchal Kumar Sharma, 2015) However, what remains behind the veil is the 'assumption' that states are cooperative servants and allies of the federal government. The hierarchical relation as envisaged in executive federalism persists because the task of states is not to assert autonomy but to carry out federal programmes and implement federal mandates. Any assertion of autonomous policymaking makes them outsiders and challengers, giving rise to the so-called uncooperative federalism.

## **V. The competitive federalism**

The competitive federalism model is a theoretical construct advanced by the fiscal federalism literature and not yet practised anywhere in its pure form. According to this construct, all orders of government should have overlapping responsibilities, and they should compete both vertically and horizontally to establish their clientele of services. (Pierre Salmon, 2006, Albert Breton, 2006 & Daphne A. Kenyon and John Kincaid, 1991) Some analysts argue that such a competitive framework would create leaner and more efficient governments that would be more responsive and accountable to people. Countries with a federal form of government vary considerably in terms of federal influence on subnational governments. Such influence is very strong in Australia, Germany, India, Malaysia, Mexico, and Pakistan; moderately strong in Nigeria and the United States; and weak in Brazil, Canada, and Switzerland. In the last group of countries, national control over subnational expenditures is quite limited, and subnational governments have considerable authority to determine their own tax bases and tax rates. In centralized federations, conditional grants by the federal government play a large role in influencing the priorities of the state and local governments. In Australia, a centralized federation, the federal government is constitutionally required to follow regionally differentiated policies.

The competitive model is based on the public choice perspective, which presumes that the government is a self-interested, Leviathan-like entity. (Chanchal Kumar Sharma, 2015) Thus, decentralisation must be designed to disarm the huge central government of its monopolistic power to extract economic rent for itself; in its place, intergovernmental competition and local governmental accountability to constituents should be promoted. Generally, some forms of competition among units exist in all nations (e.g., to attract labour and capital).

## **VI. Asymmetric Federalism**

"Asymmetric federalism" is understood to mean federalism based on unequal powers and relationships in political, administrative and fiscal arrangements spheres between the units constituting a federation. Asymmetry in the arrangements in a federation can be viewed in both vertical (between centre and states) and horizontal (among the states) senses. If federations are seen as 'indestructible union of indestructible states', and centre and states are seen to exist on the basis of equality; neither has the power to make inroads into the defined authority and functions of the other unilaterally. However, such 'purists' view of federalism is rarely, if at all, seen in practice. Even when the constitution guarantees near equal powers to the states, in the working on federal systems centre dominates in political, administrative, as well as fiscal spheres. There is considerable volume of literature on central domination in Indian federalism in the assignment system in the constitution and central intrusion into the states' domains in the working of the federation. (Bagchi, Amaresh 1988, & Chanchal Kumar, 2014).

Federal political systems are consciously and purposively designed to facilitate flexible accommodation for the many diversities which acquire political salience. (Michael Burgess & Franz Gress, 1999). This idea of Federalism leads to the concept of asymmetry. All federations manifest some sort of asymmetry which the federal model is trying to accommodate. In one of the first significant articles on asymmetry, author Charles D. Tarlton addresses the question of asymmetry and its accommodation within the federal model. (Charles D. Tarlton, 1965). Tarlton is one of the opinions that the more symmetrical a federation is,

more harmonious and unified it will be, and vice versa. He suggested that recognizing diversity within an asymmetrical system is not the best way to eliminate tension, but rather, increased centralization is necessary. (Charles D. Tarlton, 1965). At this point in time, federalism was seen incompatible with asymmetry as it would not be able to bring stability to the polity.

Charles Tarlton who is credited with having coined the term asymmetrical federalism in 1965 takes a dismissive view of it, as for him, it is prone to secessionism (1965:873). The Canadian experience with the Quebec question has brought about a bit of turnaround in the theoretical appreciation of asymmetrical federalism as asymmetry was impliedly built into the federal constitution-making in Canada in 1867 (without using the term) and the trajectory of the federalist and sovereignty debate has brought to the fore the accommodative potential of the device. Federal experiments elsewhere have supported this line of argument including the Indian case (Stepan 2004). Michael Burgess (2006: 209-25) makes a more balanced theoretical statement by suggesting that the accommodative or secessionist potentials of asymmetrical federal arrangements actually depend on specific cultural and historical contexts. A flat a priori assertion cannot be made in this regard

With the federal state defined, we can now explore the idea of Asymmetry within such a system. Asymmetry can be define in relation to its opposite, symmetry; according to Tarlton symmetry is “the level of conformity and commonality in the relations of each separate political unit of the system to both the system as a whole and to the other component units.” (Tarlton, 1965), symmetry refers to the uniformity of the system.

Conversely, symmetry denotes the diversity among member states, that which is articulated politically through component units possessing “varying degrees of autonomy and power”. (Tarlton, 1965). In other words, it is the “extent to which component states do not share in the conditions and concerns common to the federal system as a whole. (Burgess, 2006). While some short of asymmetry exists in most federal states, the type and extent of asymmetries vary, as well as the conditions that leads to asymmetry.

Asymmetric Federalism Countries with a federal form of governance do not necessarily treat second orders of government in a uniform manner. They often offer flexibility in accommodating the special needs or demands of constituent units or impose a federal will in certain jurisdictions. This may take the form of treating some members as less equal than others. For example, Chechnya in Russia and Kashmir in India enjoy lesser autonomy than do other oblasts and states. Or the federation may treat some members as more equal than others by giving them wider powers, as is the case with Sabah and Sarawak in Malaysia and Quebec in Canada. Some federations offer constituent units freedom of choice to be unequal or more equal than others through opting-in or opting-out of federal arrangements. Such options are part of the arrangements offered by Canada, Spanish agreements, and the European Union’s treaty exceptions for the United Kingdom and Denmark. (Ronald L. Watts, 1999)

However, while transparent asymmetric arrangements that can be justified on grounds of overall gains to the federation contribute to the nation building, the discriminatory policies followed purely on short term political gains can be inimical to the long term interests and stability of federalism. The rationale for asymmetry arises from the premise that inter alia, federalism is a rational bargain of various units. Thus, the terms of joining the federation depend on the bargaining strength. Further, even in a federation with no provision for exit, political alignments determine the bargaining strength of governments at different units in their interaction with center and this may result in discriminatory treatment of various units. The potential for discrimination is higher in more centralized federations and is inversely related to the political strength of the central government vis-à-vis the various regional governments.

If one or more regions within a federal state are vested with special powers not granted to other provinces one also refers to this as “symmetrical” or “regional autonomy”. The federal model may be regarded as unnecessary if the need is to accommodate only one or two minority groups. In these situations, special powers may be devolved only to that part of the country where the minority constitutes a majority; these powers are exercised by regional institutions. Ghai stresses in contrast to the liberal theory based on the assumption of equality of all individuals, “asymmetric autonomy acknowledges the unevenness of diversities and opens up additional possibilities of awarding recognition to specific groups with special needs or capacities, such as [...] a minority linguistic group” (Ghai 2000:158).

The comparative political experience of all multinational federations, with the possible exception of Switzerland, suggests that some degree of constitutional asymmetry is essential for establishing enduring federal unions in the contemporary world today. India, Belgium, Canada are cases in point in this context. These are the major examples of reasonably well-functioning asymmetrical federal democracies today.

John McGarry in a comprehensive comparative study of asymmetrical federal experiments in the 20th and early 21st centuries has also come to the conclusion that asymmetrical federalism per se does not lead to secession. Whether unity or secession will be the outcome depends on the contingent political factors as to how such a constitution is actually worked by the political leadership and other contextual factors. To quote McGarry (2005: 17),

## **VII. Multi-Level Governance**

It is not surprising, therefore, that specialists in comparative federalism, including those in the IPSA Research Committee 28 on Comparative Federalism and Federation that we represent, have sought to encompass these trends in both their theorizing and empirical research. One of the most important manifestations of such trends is the emergence of the concept of “multi-level governance” (MLG) in the political science literature. This is a concept that was initially formulated for and directly applied to the European Union, the unique new supranational governance form that has evolved in Europe since the signing of the Maastricht Treaty in 1992. Although the EU is not a classical federation it has many federal features. It can be described as a supranational organization, with features both of an international organization, and, increasingly, of a federal system. It has since been popularized and widely disseminated and applied to other structures that are the objects of study in the different subfields of political science, including comparative politics, international relations, public policy and urban politics. As a result, the concept of “multi-level governance” easily qualifies as among the most important recent “cutting-edge” conceptual contributions to our discipline.

There have been several different political analysts who have been cited as originators of this concept. An article that Fritz Scharpf published in 1988 on “The Joint–Decision Trap” (Scharpf 1988). Scharpf pointed out in this essay that there is a close parallel in patterns of political decision-making between the interlocking layers of government of the German federal system and of the European Community. In both cases the constituent tier of government has direct representation in the decision-making of the central tier, and veto power in that tier through the requirement of unanimity in joint policy-making matters. This has produced a regrettable tendency to policy and institutional stagnation in both systems, which Scharpf described as “frustration without disintegration and resilience without progress” (Scharpf 1988: 239).

Bache and Flinders, however, credit Gary Marks with this conceptual innovation. According to these authors, “Gary Marks (1992) first used the phrase multi-level governance to capture developments in EU structural policy following its major reform in 1988. They explained that the emergence of this concept was primarily due to “a new wave of thinking about the EU as a political system rather than [as] a process of integration...that followed swiftly from the accelerated deepening of the integration process in the mid to late 1980s.” They also attributed it to “the agreement to the increased use of qualified majority voting in place of unanimity across a number of policy areas [that] was the starting point for the treatment of the EU as something with characteristics more reflective of domestic political systems than international organizations.” (Bache and Flinders 2004: 2-3).

The multi-level governance approach poses a challenge to nearly all of the established theories of European integration, but at the same time, it does not completely reject all the assumptions of these theories. On the one hand, multi-level governance (MLG) shares with neofunctionalism the view that supranational actors and interest groups are important in influencing decisions at the EU-level (Bache and Flinders 2004: 3).

In our view, who may or may not have invented the concept of multi-level governance is of little importance to political science. What is significant is the fact that it was embraced so rapidly, widely and enthusiastically by political scientists not only from Europe, but elsewhere in the world. It is best understood as a natural evolution of an increasingly complex pattern of policy-making and authoritative decision-making in today’s more tightly integrated and globalized world. It is also manifested clearly in a shift in political analysis from statist and hierarchical models of decision-making to no statist, shared or cooperative models, which are associated with what has been termed as “the turn to governance”.

More recently, Peters and Pierre (2001) have viewed the development of the multi-level governance phenomenon more optimistically as a new form of the state. They maintain that “the emergence of MLG challenges much of our traditional understanding of how the state operates [today], what determines its capacities, what its contingencies are, and [what are its prospects for] democracy and accountable government...we are moving from a model of the state in a liberal-democratic perspective toward a state model characterized by complex patterns of contingencies and dependencies on external actors.” (Peters and Pierre 2001)

It seems clear, then, that the MLG concept has already experienced considerable transformation and refinement in its short life. Moreover, like federalism, the concept has been subjected to strong criticism and has become the subject of contentious debate.

## **VIII. Market Preserving Federalism**

Market Preserving Federalism Barry Weingast has advanced a theoretical concept for comparative analyses of federal systems. (Barry Weingast, 2006) Market-preserving federalism is put forth as an ideal form of federal system in which (1) multiple governments have clearly delineated responsibilities; (2) subnational governments have primary authority over public goods and services for local autonomy; (3) the federal

government preserves the internal common market; (4) all governments face the financial consequences of their decisions (hard budget constraints); and (5) political authority is institutionalized.

### **IX. Confederal Government**

In a confederal system, the general government serves as the agent of the member units, usually without independent taxing and spending powers. The United States had a confederal system from 1781 to 1787. The United Nations, the European Union, and the Commonwealth of Independent States, which now consists of 11 of the former republics of the Union of Soviet Socialist Republics (USSR), approximate the confederal form of government. A confederal system suits communities that are internally homogeneous but, as a group, completely heterogeneous. The European Union, however, over time has consistently moved to assume a federal role.

### **X. Conclusion**

In this article, we have established the definition – and hence meaning – of the different kind concepts of federalism in obvious and specific terms, the approach adopted is argued to be methodologically sound on the basis that the classical theory of concepts has been employed in a rigorous way in the construction of the concept. In the process, we identified the state as a political organism which exists for the betterment of mankind and which needs to be availed in a practical sense.

We provided various conceptual elucidations of federalism by different scholars of repute as a prelude to our identification of the theoretical exploits on the concept *per se* by these scholars. As a follow up to these, we examined the adequacy or otherwise of the classical theories of federalism vis-a-vis the complexities and realities of today's political systems.

Our discussion of the emergence of the different kind of concepts highlighted the fact that while federalism is an established concept, others are relatively new. Although the future will demonstrate whether others have the same “concept” as federalism, we suggest that its current widespread application implies that it is likely to remain an important conceptual tool. The new concepts on federalism have become entrenched in the research in different areas studies, and, as our paper has demonstrated, “new kinds of federalism are a useful addition to the “conceptual toolbox” for scholars of federalism. In its way, therefore, the experience with the unprecedented and unconventional expansion of the new trends in federal concept serves to enrich the theory of federalism in declaring or undeclaring received knowledge about the new trends and models of federal systems the world over.

In summary, it is imperative for policy makers to recognise varying forms of federalism. It is also crucial that commentators, policy makers, and scholars remain aware of the context of debates and opinions surrounding federalism. In conclusion, we advocate continued research into and exploration of these and other questions about the relationship between federalism and other kind of federalism by the specialists and promoters of each concept and by other political scientists. In that way, they can continue to provide our rapidly evolving and maturing discipline with new and valuable “cutting-edge” concepts. The recommendation of this paper is therefore cautionary with respect to both the construal and promotion of federalism.

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