Exploring Linkages between Federalism and Democracy. Toward a typology of coupling arrangements between two government dimensions

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Abstract

Research on comparative federalism and multilevel governance made significant progress in analysing institutional change and continuity. Regarding shifting processes emanating from the separation and sharing of powers in federal, federalizing and decentralizing polities, attempts at capturing these dynamics have been undertaken through the search for suitable indicators and development of respective indices. Yet at the same time, the linkage between federalism and democracy seems to be taken for granted. However, both institutional dimensions interact. The types of federalism and democracy and the way they are linked affects both the operation of decentralized or federalized governments and – in particular – changes in the distribution of powers.

For this reason, it remains imperative to establish more analytical clarity on the complex relations between federalism and democracy. This applies not least since tensions arising between federalism and democracy pose an important source of various dynamics. To this end, we propose categories which should be included in indexes of federalization or decentralisation and allow us to precisely distinguish different combinations of federal democracies. Moreover, we include particular modes of multilevel governance and intergovernmental relations constituting patterns of interlinkage between the logics of federalism and democracy, from loose to tight coupling and thus more or less flexible arrangements. Thus, beyond the quest for refining IDF, we seek to introduce an additional avenue for studying dynamics in decentralization and federalism in democratic governments. This can foster moreover an enhanced approach to studying directions of institutional change and continuity in federal and federalizing systems.
1. Introduction

Research on comparative federalism and multilevel governance has made significant progress in analysing institutional change and continuity. Regarding shifting processes emanating from the separation and sharing of powers in federal, federalizing and decentralizing polities, attempts at capturing these dynamics have been undertaken through the search for suitable indicators and development of respective indices. For instance, fiscal components – like measures of distribution of tax revenues across levels of government – but also other institutional features usually considered related to federalism such as constitutional guarantees of autonomy, bicameralism or constitutional courts have been central for the development and application of such indices (see e.g. Lane and Ersson 2000; Oates, 1972; Lijphart 1999; Rodden 2004). In addition to capturing levels of federalism and decentralization, these indices have contributed, among other things, to enabling empirical comparative research on effects or correlations between federalism and decentralization (see e.g. Erk and Koning 2010) or between the two and policy (see e.g. Wachendorfer-Schmidt 2000), not least with regard to social and welfare policy (see e.g. Obinger, Leibfried and Castles 2005; Pierson 1995, 2001; Sellers and Lidström 2007). Meanwhile, more recent research has been undertaken to expand the scope further beyond federal-unitary or centralized-decentralized dichotomies and construct measures of regional authority at multiple levels of any polity (Hooghe and Marks 2013; Marks, Hooghe and Schakel 2008; Schakel 2008). Yet, at the same time, the linkage between federalism and democracy seems by and large to have been taken for granted.

At first this appears unsurprising given a long tradition in political thought of linking federalism and other forms of ‘decentralism’ not only with separation of powers but also with reinforcement of rule of the people (for an overview, see Gerring, Thacker and Moreno 2005: 567-569). Such notions have allowed for the premise of an inherently democratic quality of federalism to increase structures and thus opportunities of choice and participation, so that it
can even appear self-evident that federalism complements democracy. This may likewise seem to apply not only on account of potential cost effectiveness of decentralized political structures but also due to its comparably higher proximity of public services to the citizens (see e.g. Kochen and Deutsch 1969). Accordingly, federalism and decentralization, and in line with the economic theory of federalism, have been deemed conducive to institutional competition that fosters opportunities for citizens to ‘vote with their feet’ (Oates 1972; Ostrom 1972). Additional democratic-promoting features commonly attributed to federalism include a stronger safeguard to liberty and rule of law (Levy 2007) and a better accommodation of diversity (Kincaid 2010), all of which have reinforced a notion of mutual compatibility between federalism and democracy (cf. Watts 2008). It is against this backdrop that federalism and decentralization could come to be viewed as complementary or supplemental features even of one particular model of democracy as illustrated in Lijphart’s consensus model (1999). From that perspective, capturing the extent or level of consensus-democratic features would essentially entail, in addition to power-sharing arrangements at the centre, also measuring ‘how federal’ a system is. However, the juxtaposition between the various ‘virtues’ of federalism briefly illustrated above already reveals a fundamental ambivalence on federalism and decentralization. For instance, it begs the question of whether federalism supports and incentivizes ‘competition’ or ‘consensus’, i.e. ‘which democracy’ does it promote. More fundamentally, it begs the question of ‘which federalism’ we mean in the first place before measuring arrangements of ‘decentralism’. This matter likewise requires clarification before assessing the linkage then to democracy.

When considering the connections and interactions between federalism and democracy, it becomes clear that they cannot be aggregated together into one index. Various features of both federalism and democracy comprise distinct mechanisms of collective action. In order to understand the interaction of these mechanisms, we have to distinguish them. Moreover mechanisms can be captured as either being given or not, although their operation
may produce stronger or weaker effects. While the latter may be measured on a scale, it is the existence of a particular mechanism and its "logics of operation" which is relevant to explore the linkages between federalism and democracy. Therefore, it is much more appropriate and necessary – and the underlying interest of our paper – to develop a typology. Indeed, what is certain is that both institutional dimensions interact. The types of federalism and democracy and the way they are linked affects both the operation of decentralized or federalized governments and – in particular – changes in the distribution of powers. A democratic federation connects vertical division of power between governments with division of power in government. The latter in turn refers to horizontal separation and sharing of powers, a constitutive feature of democracy. By contrast, the experience of federalism in autocratic states undergoing a transition to democracy, in some cases even with fostering autocracy-sustaining effects (see e.g. Benz and Kropp 2014; Lane and Ersson 2005; Obydenkova and Swenden 2013) at the latest reveals the possible ambivalent effects of federalism, which necessarily invites in turn critical differentiation on the complex relationship between democracy and federalism. Thus, distinguishing these two regime dimensions is particularly relevant for understanding democratic federations, which combine these two division-of-power regimes into one polity.

Consequently, it remains imperative to establish more analytical clarity on the complex relations between federalism and democracy. This applies not least since tensions arising between federalism and democracy pose an important source of various dynamics. To this end, we propose categories which allow us to precisely distinguish different combinations of federal democracies. Moreover, we include particular modes of multilevel governance and intergovernmental relations constituting patterns of interlinkage between the logics of federalism and democracy, between tight coupling and rigid decoupling to the intermediary loose coupling and thus more or less flexible arrangements. Therefore, beyond the quest for refining IDF, we seek to introduce an additional avenue for studying dynamics in
decentralization and federalism in democratic governments. From the outset it is important to underline that divergent research approaches in comparative federalism (or any field for that matter) do not amount to a zero-sum game. Developing and refining indexes of federalism, decentralization and regional authority constitute an undoubtedly fruitful endeavour in its own right, not least for shedding more empirical light on scopes and extents of distribution of powers and competences in various polities. However, as of yet there apparently remains a risk of linking, if not equating measurements of decentralised authority with outcomes of democratic quality. As we demonstrate in the following, these two regime dimensions are neither inherently compatible nor inevitably ‘at odds’ with one another (Benz and Sonnicksen 2015), but rather face a series of challenges and tensions. To cope with them, institutionalized arrangements, not only as structures, but also processes and practices are decisive for how federalism and democracy work.

2. Theoretical Framework: federalism and democracy as two-dimensional regimes

Federalism and democracy constitute particular arrangements of division of powers in a political system. Each in their own way combine structural elements as much as functional logics of separation of powers, shared rule and ‘checks and balances’. The extent to which they foster rather separated or shared rule, rather competition or cooperation and consensus-seeking can vary not only across polities, but also within them for instance over time or by policy area. Beyond the questions of their compatibility, incongruence or mutual tensions, the two regime dimensions can be differentiated on account of a number of fundamental features. They pertain most basically to the intragovernmental and intergovernmental dimensions of division of powers.

Intra-governmental dimension refers primarily to the division of powers in a democratic polity. The democratic form of government, embedded of course in a basis of
popular elections as part and parcel of any democracy, in turn relates to executive-legislative relations. Here variation derives foremost from stricter separation of power between legislative and executive institutions as in presidential systems, where chief executive and legislature are elected separately and endowed with mutually independent institutional survival, and more blended or fused powers in parliamentary systems, in which government (in sense of premier and cabinet) emanates from parliament and depends on its (majority’s) confidence to remain in office while the former usually has the power to have the latter dissolved (e.g. Shugart and Carey 1992; Steffani 1979). Further variants include semi-presidential systems with popularly elected heads of state in an otherwise parliamentary system with a separate head of government responsible to parliament (i.e. its majority) (Duverger 1980; Elgie 1999), parliamentary government with strong bicameralism even with some cases of second-chamber influence on executive survival (Ganghof 2014) as well as cases of democratic governments that fail to conform to any of these types, most notably Switzerland (see e.g. Siaroff 2003).

How the executive-legislative relations are institutionally configured is obviously not a sole determinant of political processes. Yet, these institutional forms certainly bear relevance for different patterns of politics such as prevalence of government versus opposition dynamics, variable coalition-building practices or divided government (cf. Gerring, Thacker and Moreno 2009; Lijphart 1992; Linz and Valenzuela 1991; Mayhew 2005; Samuels and Shugart 2010). This applies all the more so when taking into account the combinations with further institutional arrangements connected primarily to the horizontal or intragovernmental dimension such as the electoral and party systems or the system of interest mediation. The most notable ‘patterns of democracy’ refer to the spectrum between majoritarian (government by minimum-winning coalition, executive dominance, few effective parties, plurality or simple majority election system, pluralist interest mediation) and consensus systems (executive-legislative balance, (large) coalition executives, multipartyism, proportional
representation, corporatist interest mediation) (Lijphart 1999). Similarly, the different combinations of institutional arrangements and political practices can amount to rather competitive, ‘winner takes all’ logics, or more inclusive consociational, concordant and ‘Proporz’ democratic practices (Benz 2015; Czada and Schmidt 1993; Lehmbruch 1967, 1996; Lijphart 1968, 1969; Wintle 2000). These distinctions are more appropriate, since our interest should lie not merely with formal institutions but in the ‘logics of politics’ (the typical mechanisms) and their effects on other institutional dimensions of political systems. Under various conditions, these may range not only between rather cooperative and competitive, but also between power dividing and power sharing as well as centripetal or centrifugal effects and tendencies (Bogaards 2000; Gerring, Thacker and Moreno 2005; Kaiser 1997; Siaroff 2000; Smooha 2002).

Intergovernmental dimension refers to the vertical division of powers between levels of government. In cases of federalism, the division runs principally between the federal government and ‘regional’ governments of the respective constituent units (e.g. cantons, Länder, provinces, states). In unitary systems the central locus of constituent power lies as a rule with the national or central government, though in practice a wide variety abounds in terms of centralization or decentralization, demonstrating thus diverse levels of ‘decentralism’. Federalism in turn is by nature de- or non-central, though levels of centralization and decentralization may vary as well not only across polities but also within federations over time and even policy area. Again we might distinguish between power dividing and sharing as captured by the ideal-typical models of dual and cooperative federalism which are based upon arrangements of more or less strictly separated powers and sharing of powers (see e.g. Hueglin 2013; Watts 1998). However, regardless of how powers are distributed, any federal system is confronted with the challenge of reconciliation between unity and diversity but also ‘self-rule’ and ‘shared-rule’ in a non-centralized vertical dimension of division of powers (Elazar 1985: 23; 1987: 5). As a result, there is always the
need for some form(s) of intergovernmental coordination irrespective of the federal model. Modern federal systems are systems of two- or multilevel governance. Therefore, as we emphasize competition and cooperation in democratic politics, we should focus on interactions between governments at the different levels.

Depending on the federal arrangement, intense multilevel interactions and coordination will be particularly relevant, if not legally necessary as in cases of joint-decision making, i.e. an institutionalised interlocking and/or formal compulsory cooperation among the different levels of governments (Scharpf 1997: 143-145). In addition to possibilities of direct participation of state governments in federal law-making, joint-decision making applies in cases of shared tasks or competences requiring the joint coordination between governmental levels (Scharpf 1988). For a number of reasons – be it external pressures, the cross-border character of multiple problems and policy challenges and so forth –, federal systems likewise develop various channels for coordination and intergovernmental relations in policy areas outside of the ambit of the federal level, but that necessitate cross-jurisdictional regulation and coordination (Benz 1992; Bolleyer 2006, 2013; Watts 1998: 129f.). The vertical dimension is thus closely connected to a horizontal dimension, i.e. the relation of constituent regional governments in a federation. They can contribute to coordination by cooperation or competition, depending on the vertical mode of interaction. How these dynamics of intergovernmental relations transpire in practice, or even more generally how a federal system develops over time, are likewise contingent upon societal conditions and developments (Benz 2013; Erk 2008; Livingston 1956). Socio-economic as well as cultural and other demographic differences and especially asymmetries (Tarlton 1965) can exert pressures on the federal system, requiring various adaptations and adjustments through cooperation, coordination or (re)distribution of resources, competences and so forth (see e.g. Smiley 1984; Watts 1998: 122ff.).
These manifold federal dynamics become evident especially in federalism’s ‘propensity’ for politics of constitutional reform and change (Colino 2013; see also e.g. Behnke and Benz 2009; Benz 2016; Benz and Colino 2011; Simeon 2009). They result from frictions between ‘logics of politics’ emerging between the two institutional dimensions of democracy and federalism. Cross-cutting both regime dimensions are, among others, the principles of individual and collective self-determination, self and shared rule and even territorial boundedness (e.g. ‘constituency’). Democracy is always organized in a territory, while federal governance cuts across boundaries of territories. Democracy is based on power of popularly elected parliaments and accountability of executives, while intergovernmental relations in non-centralized polities link executives and generate multiple, yet often incongruous accountability relations. Democracy can foster party competition or coalition-formation among political parties operating in a (horizontal) division of powers dimension, while federalism entails co-ordination or competition between governments or administrations in a (vertical) division of powers dimension. Accordingly, contestation, competition and cooperation in each regime dimension take place – and become compounded – within one polity. In intergovernmental relations, political actors of multiple governments (and often different levels of government) must grapple with the tensions arising out of different, at times conflicting political logics. Akin to the concept of two-level games (Putnam 1988), challenges emerge between the – federal governance – functional and output-legitimation necessity of regulating collective goods and solving complex cross-jurisdictional problems on the one hand and the – democratic governance – political as much as electoral demands of representation and accountability linked with their respective constituencies.¹

¹ Though, one could even juxtapose the logics: e.g. there is a democratic necessity to ‘deal with’ externalities and manage coordination with other governments pursuant to an effective government for the people, while a federal logic, particularly in a rigidly dual system, could oppose the risk of ‘sovereignty losses’ pursuant to entering networks of coordination or joint-decision making. Such considerations illustrate that caution is warranted toward an overly simplistic dualism of ‘horizontal’ and ‘vertical’ with respect to democracy and federalism respectively. Of course, for analytical purposes, this conceptualisation is clearly useful, but differentiation is necessary: i.e. democracy likewise involves a ‘vertical’ dimension (also in the sense of
As such, the conjunction of a democratic intragovernmental and federal intergovernmental division of powers not only generates compounded representation (see e.g. Lancaster 1999). Of course, the number and types of veto players affect the capacity for policy change in a polity in general (Tsebelis 1995), which then already points to inherent potentials for friction and tension in multidimensional division-of-powers systems. Federalism and democracy thus may also result in an interplay of ‘rival institutional logics’ (Sharman 1990), i.e. when democratic rules of the game, such as in cases of parliamentary competitive party politics, ‘collide’ with federal intergovernmental decision-making logics (Lehmbruch 1978, 2000). The reverse may also be the case, as illustrated in the ‘interference’ of strong, if not symmetric bicameralism, typical of federal systems, with corporatist interest mediation (see e.g. Czada 2000; Lehmbruch 2003; Pelinka 1999). Insights from comparative federalism reveal moreover that, in addition to logics of ‘coming together’ and ‘holding together’ federalism, the overall dynamics of a federal system can affect democratic practice on the whole, tending toward ‘demos enabling’ or rather ‘demos constraining’ effects (Stepan 1999; see also e.g. Simeon 2006; Watts 2010).

Nonetheless, there is no contradiction per se between federalism and democracy. However, relations differ according to the particular characteristic features of the dimensions and their combination. These regime dimensions interact not least because a host of public policy problems transcend the institutional structures for problem-solving, especially in federal systems, requiring in turn intergovernmental and governance relations across jurisdictions (Mayntz 2002: 22-25), while the latter remain nonetheless each bounded to the respective democratic representation, accountability and legitimacy of a territorial constituency (Benz 1994: 43-62). Thus tensions are caused between the two institutional relations between the governors and the governed) as much as a fundamental reference to territory, while federalism, as ideal-typically (vertical) territorial organization principle, implies and requires intergovernmental relations on account of the horizontal division of powers and jurisdictions among constituent units.
dimensions (Benz and Sonnicksen, forthcoming). This aspect has been ignored in indexes of decentralization or federalism, and also insufficiently addressed in comparative research on federalism, while research on varieties of democracy has often misconceived or neglected the federal dimension. Thus, rather than subsuming one dimension within the other or instead presuming their incompatibility altogether, it remains necessary to conceptualize how these two regime dimensions may interact when combined in one polity.

3. Constructing a typology of federalism and democracy

Federalism and democracy constitute two distinct regime dimensions with particular logics for primarily vertical and horizontal divisions of powers respectively. In order to capture how the two may be combined in different composite patterns, it is necessary to delineate separately the respective features. Taking the considerations of the theoretical framework above, we outline in the following a series of indicators first for the democratic (horizontal) and then the federal (vertical) dimensions. Though by no means an exhaustive list, this should provide ample points of reference. Building upon that, we construct a preliminary typology of three basic coupling arrangements between democracy and federalism, which, as we argue, can serve as a framework for further comparative research.

3.1 Patterns of democracy

Research on types as well as measurements of democracy makes up an even far more extensive field than in the meanwhile expanding case of indexes of decentralisation and federalism. While the latter has been driven, among others things, for empirical analytical reasons to capture changes in (re-)scaling on account of assorted developments in regionalism and multilevel governance as much as ‘beyond’ as ‘below’ the state (see e.g. Hooghe, Marks
and Schakel 2010; Keating 2013; Piattoni 2010), measurements and typologisation efforts in democracy have proliferated not only due to the long-standing diversity of democratic systems, but also increasingly in the last few decades in light of new waves of democratization (see e.g. Boix, Miller and Rosato 2012; Collier and Adcock 1999; Collier and Levitsky 1997; Vanhanen 2003). To analyse types as much as levels of democracy, Robert Dahl’s pioneering work on Polyarchy established a two-dimensional approach, namely based on contestation and participation (Dahl 1971). This dualism was developed further to refer to another, perhaps the dilemma of democracy between ensuring ‘citizen participation’ and ‘system effectiveness’ (Dahl 1994), a two-dimensional concept paralleled in the concept of dualistic legitimation by input (government of and by the people) and output (government for the people) (see e.g. Sartori 1987; Scharpf 1970). While participation or inclusiveness (input) have continued to comprise one elemental side of two-dimensional democratic-typological analyses, other approaches vary with regard to the second basic feature: for instance as to whether it constitutes responsibility as accountability and chances for alternation (e.g. Kaiser et al. 2002; Lundell 2011), authority as capacity to govern and generate centripetal effects (e.g. Gerring and Thacker 2008) or indeed still contestation e.g. as opportunities for opposition, deliberation and public debate (Coppedge, Alvarez and Maldonado 2008).

Certainly the selection of focus will generate not only different results on varieties of democratic systems, but also on their respective operation. On the whole, for our purposes at hand, we can derive from these varieties of typologies an overarching dualism between conflict and accommodation which is echoed in the tension between competition and cooperation or, again, separating and sharing power.

Accordingly, separation or concentration of powers can be taken as two fundamental alternatives. Although there may be more or less of either in individual institutional features or on the whole, the concept of patterns of democracy offers an appropriate frame for the intragovernmental dimension of division of powers. To this end, we can draw on the model of
consensus and majoritarian democracy (particularly the ‘executive-parties dimension’ in the Lijphart typology) as well as the basic features of plurality-majoritarian and rather concordant and consociational democracy illustrated previously. The intragovernmental dimension can be captured by the government form in the sense of executive-legislative separation (e.g. lack of parliamentary power to dismiss executives) or fusion of powers (government emanates from parliament and remains dependent on its confidence), as well as executive-legislative balance or rather concentration in the executive (head of government, the cabinet, etc.). At the same time though, any popularly elected executive (applicable to heads of state in both the presidential and semi-presidential government forms) is itself inevitably majoritarian in character as only one person (who can only belong to one party) can win the office. On the other hand, it underlines a separation of power vis-à-vis the parliamentary model, particularly of the majoritarian-competitive type.

With regard to party competition or cooperation, the first pattern involves more dualist and confrontational party competition, typical though not limited to a two-party (dominated) system, while the latter exhibits multiple (effective) parties with cooperative or concordant patterns of politics. Capturing patterns of party politics refers to a two dimensional conceptual space, and can be operationalised according to the intensity of conflicts. Though by no means determined by the electoral system alone, the number of effective parties tends to coincide also with the type of electoral system, which can range from plurality (simple majority), majoritarian or (partially to fully) proportional. Two antagonistic parties or several parties forming antagonist camps would be reflected for instance in a propensity to form minimum-winning coalitions and contrasts with party pluralism or multipartyism with centrist parties and most certainly (oversized) ‘grand coalitions’. To conceive patterns of politics for the purpose of typologisation with the vertical dimension of division of powers, it also important to consider the party system in its multilevel dimension (e.g. integration or regional
fragmentation), which can be addressed foremost in the dimension of intergovernmental relations.

The aspect of interest group mediation bears of course considerable relevance on the particular pattern of democratic politics. The classic ideal types in democratic systems have been summarized as pluralist and corporatist systems. While the former has become associated with more competitive (majoritarian) democracy, the latter tends to be linked with concordant (consensus) democratic systems. For the most part, the dualism may hold, though pluralism has likewise been linked to systems having multiple channels of access to government and political decision making (Dahl 1982), the ambivalence here being that ‘access’ and a certain amount of ‘pluralism’ (in sense of multitude of interest and civic societal groups) can be construed as requisite features of democracy in general (see e.g. Schmitter and Karl 1991). Whether pluralist or corporatist in the strict sense of interest mediation models, what should interest us here in the context of interest group representation are the practices of cooperation and inclusion or more competition with respect to relations with institutions and levels of government.

The intersection between the intra- and intergovernmental dimensions of division of powers are usually considered as aspects of federalism, which as institutional feature can be captured most saliently by second chambers at the superordinate level of government. The relevance for federalism appears unambiguous, given that second chambers in general (aside from rare exceptions) tend to be based on some form of specifically territorial representation. At the same time, a second chamber with legislative co-decision competences (ranging from solely consultative to suspensive and even absolute veto powers in limited or virtually all policy areas) certainly affects the operation of democracy through multiplying intra-branch separation of powers (see e.g. Tsebelis and Money 1997). Thus for the ‘logic of democratic politics’, the feature of strong or weak bicameralism is of particular interest. For the ‘logic of intergovernmental politics’, it should be whether second chambers effectively represent
constituent units, not in a sense of ‘quality’ (how ‘good’ or ‘poorly’ they perform), but rather how it is structurally and functionally constituted with respect to representation of constituent units. Ruling out unicameralism in this context altogether, we differentiate between a parliamentary version (elected senate/upper house) and a council model of bicameralism. The former involves a second chamber as for instance popularly elected senate or otherwise (‘non-federally’) appointed or co-opted upper house, while the latter consists of executives or other representatives delegated by constituent unit governments. These two basic alternatives inform about the democratic separation and sharing of powers, which connects, as will be addressed further on, with the vertical dimension.

**Logic of Democratic Politics**

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<tr>
<th>Mechanism</th>
<th>Consensus</th>
<th>Majority rule</th>
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<tr>
<td>Institutional distribution</td>
<td>separation</td>
<td>concentration</td>
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<tr>
<td>of legislative and executive power</td>
<td></td>
<td></td>
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<tr>
<td>Party system</td>
<td>plural, cooperative</td>
<td>polarized, competitive</td>
</tr>
<tr>
<td>Interest intermediation</td>
<td>corporatist</td>
<td>pluralist</td>
</tr>
<tr>
<td>Bicameralism</td>
<td>strong</td>
<td>weak</td>
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As illustrated above, for the pattern of the competitive, ‘majority rule’ type of logics of democracy, we comprise a composite of power concentration with antagonistic party politics (e.g. government versus opposition, majority versus minority, minimum-winning-coalitions etc.) along with affinities to majoritarianism such as few effective parties, ‘winner-takes-all’ elections and pluralism in interest group mediation. For the rather cooperative, ‘consensus’ type, we comprise a composite of separated powers with requiring coordinative, cross-branch
politics (e.g. cross-party/camp bargaining, government coalescing, etc.), along with further affinities to consensualism such as multipartyism, proportional representation and ‘proporz’ or consociational politics, as well as corporatist, inclusive interest mediation. With regard to the federal dimension, we turn to features of distribution of powers among levels of government and the logic of intergovernmental politics.

3.2 Patterns of intergovernmental relations

Allocation of powers can of course take a variety of forms in different federal systems as well. Their patterns depend on a series of factors related to the formal-legal parameters as much as the necessities of governance in political practice. Not only vertical division of powers but also horizontal relations necessarily make up a component of any federal system, though as the case may be, they can exhibit stronger inclinations to either more cooperation and negotiation or autonomy and competition in the intergovernmental dimension. Analogous to the condensed dualism in patterns of democratic politics outlined above, we can differentiate federative arrangements between more separation and sharing of powers. They are again paralleled in the dichotomy between dual and cooperative federalism, which takes as a primary point of reference the distribution of powers among levels of government.

The dual or cooperative differentiation can basically be either policy oriented (by areas of politics such as education, infrastructure, welfare, environmental protection and regulation, and so forth) or rather function oriented (e.g. legislation, implementation and administration, police powers, the judiciary). In dualistic systems, the tendency is toward strict separation and, as the case may be, by consequence a redundancy of powers when each level is responsible for law-making, implementation and adjudication within its own ambits. In cooperative federalism, a wide spectrum of possible, more or less institutionalised sharing and exercise of powers can be found, most explicitly and formally, in cases of joint-decision making. They are also identifiable in shared responsibilities and joint tasks, areas of
framework legislation and so forth, be they constitutionally prescribed or voluntary, ad-hoc or more long-term forms of cooperation with rigid consensus-finding or rather flexible rules even allowing for opt-outs.

Fiscal powers and the composition of fiscal federalism likewise bear high relevance for the overall character of division of power and horizontal and vertical power sharing or separating in federal systems (see e.g. Buchanan 1950; Rodden 2006). Akin to the dual and cooperative types, the former relates to fiscal autonomy as well as responsibility for own revenues and expenditures of the separate levels of government and constituent units, while the latter comprise joint fiscal policy (-ies). Thus, tax competition with fiscal autonomy and systems of shared taxation with joint revenue raising and even joint expenditure monitoring are of interest as indicators of competition/power-separating and cooperation/power-sharing respectively. Finally, forms of fiscal equalization point to differences in federal models. Horizontal fiscal equalization can fairly clearly qualify as cooperation in the intergovernmental dimension, as do systems of grants as financial transfer from the federal to the constituent unit levels, though they vary with regard to autonomy protection of the state governments (e.g. block grants with ‘few strings attached’) and more special or project grants tending to become coupled with specific conditions and regulatory provisions.

These indicators of policy-making and functional allocation of powers and the composition of fiscal federalism characterize the degree of interdependence between levels, whereas the following features relate to the mechanisms of coordination emerging under different structures of division of power. They refer foremost to intergovernmental policy-making and negotiations, which can be more informal or rather institutionalised. Actors involved in intergovernmental relations are also of importance, for instance whether political executives or specialised administrations participate in intergovernmental negotiations and coordination and what role, if any, is played by (state) legislatures. Horizontal and vertical processes of coordination in multilevel politics furthermore connect with inclusion and
participation of groups and actors such as interest groups and political parties, which may likewise reveal pluralist–competitive or more corporatist-cooperative modes of interaction. Whether the party system is integrated or regionalized, rather moderate or fragmented can also play a role in patterns of intergovernmental relations. With regard to the intragovernmental dimension, again bicameralism becomes an especially pertinent feature as to whether this is constituted in a council (interlinking levels of government) or a parliamentary form (fostering more their autonomy or separation).

Mechanisms of intergovernmental negotiation and competition can be distinguished according to their institutional conditions: Joint decision-making is linked to shared powers with the effect that governments need to come to an agreement in order to make policies. Voluntary negotiations emerge when powers are institutionally separated, they imply exit options or bilateral instead of multilateral agreements. Yardstick competition requires some sharing of powers enabling governments to organize policy contests, while institutional competition describes an interaction between autonomous governments (which compete as institutionally defined actors).

The mechanisms of intergovernmental negotiation and competition are affected by different conditions in the horizontal relations. They can be evaluated not only on account of intergovernmental – i.e. in the sense of inter-executive (chief executives, ministers as well as administrative units) – but also inter-parliamentary relations and whether these are weak, if not non-existent, or rather strong. Furthermore, competitive horizontal relations vary depending on whether they are based on balanced or imbalanced relations, with balance referring to institutional or fiscal capacities. These distinctions based on a series of features (summarized below) allow for the more systematic assessment of interlinkages in the federal dimension between separation and sharing of powers.
### Logic of Intergovernmental Politics

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<thead>
<tr>
<th>Mechanism</th>
<th>Negotiation</th>
<th>Competition</th>
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<tbody>
<tr>
<td>Territorial distribution of power</td>
<td>Joint decision-making</td>
<td>Voluntary negotiations</td>
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<td></td>
<td>shared</td>
<td>separated</td>
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<tr>
<td>Horizontal relations</td>
<td>strong or weak</td>
<td>balanced or imbalanced</td>
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<tr>
<td>Fiscal federalism</td>
<td>equalization</td>
<td>Autonomy</td>
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<tr>
<td>Bicameralism</td>
<td>council</td>
<td>parliamentary</td>
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</table>

4. **Types of coupling between federalism and democracy: conflict or accommodation**

Building upon the underlying theoretical framework and the discussion on varieties of democracy and federalism, we combine the features of horizontal (intragovernmental) and vertical (intergovernmental) dimensions of division of powers into composite patterns of democratic federalism. The basic features comprise the following “ideal” types: competitive and rather majoritarian democracy based on concentration of institutional powers or consensus democracy based on separation of powers and inter-institutional power sharing and strong bicameralism. As to the federal dimension, we emphasise the distinction between negotiated and competitive intergovernmental policy-making. Varieties of intergovernmental negotiations depend on sharing or separation of powers and the strength of horizontal relations among constituent units, but they generally are supported by fiscal federalism aiming at equalization and the council version of intragovernmental federalism. Competitive intergovernmental relations exist under conditions of fiscal autonomy and are supported by...
the parliamentary model of intragovernmental federalism. Thus our typology of democracy and federalism should capture the types of ‘logics of democratic politics’ and ‘logics of intergovernmental politics’ including the main institutional conditions explaining existing varieties and basic effects.

The real operation and dynamics of democratic federalism result from the way these two logics are linked. For the dimension of interlinkages, we propose a concept of coupling, which refers to the type and degree of structural and functional interlocking between levels and arenas of democratic and intergovernmental politics (cf. Landau 1973). In other words, coupling involves the intensity of ties affecting the ‘logics’ that the individual bodies or actors underlie. For the purpose of typologisation, we establish three basic types of coupling between intra- and intergovernmental relations:

- **Uncoupled** means that the two logics operate separately, without mutual interference. It is supported by more separation of powers between executives and between levels of government, more ‘autonomy’ oriented distribution of powers with ‘disjointed’ or few to no institutionalised interlinkages between levels of government, which may also be reflected in rather autonomous fiscal relations. Yet we speak of uncoupling if these separations are maintained in policy-making. This means that intergovernmental negotiations and competition is determined by executives, without significant influence of parliaments, parties or interest groups. Moreover, it means that democratic decisions at the different levels do not reflect on external effects of policy-making at other levels or in other jurisdictions. This uncoupling avoids tensions resulting from interference of logics of politics, but it can cause tensions because of neglecting policy-interdependences;

- **Tight coupling** means that one logic of politics determines or at least strongly influences the operation of another mechanism. Usually this kind of strong interference undermines the functionality of a mechanism, or of both. It exists in a
composite of more sharing than separation of powers and is more cooperation and ‘interdependence’ oriented with ‘integrated’ or many institutionalised interlinkages between levels of government and intergovernmental relations, but also with a rather high degree of joint-decision making and is also reflected in rather compounded fiscal relations; as with uncoupled arrangements, tight coupling likewise bears the risk of turning tensions into frictions as it confronts actors compelled to cooperate with contradictory logics of action;

- **Loose coupling** means that mechanisms influence each other, without having determining effects. We can understand this interaction as a kind of process of adjustment, be it unilateral or mutual. Regularly, these adjustments occur in a sequence of "action and response". Loosely coupled democratic federalism compromises a composite of ‘mixed’ separation and sharing of powers with few to many institutionalised interlinkages between levels of government and intergovernmental relations and is reflected also in fiscal relations.

On the whole, we suggest that loose coupling between the different logics of politics and interaction inherent in federalism and democracy can reduce tensions, whereas tight coupling or decoupling turns them into frictions, leading to policy deadlocks or democratic deficits.

**Coupling**

<table>
<thead>
<tr>
<th>Interlinkage</th>
<th>Partial</th>
<th>Full</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decoupled</td>
<td>Separation of power democracy  <em>OR</em> competitive federalism</td>
<td>Separation of power democracy  <em>AND</em> competitive federalism</td>
</tr>
<tr>
<td>Tightly coupled</td>
<td>Majority rule democracy  <em>OR</em> joint decision-making</td>
<td>Majority rule democracy  <em>AND</em> joint decision-making</td>
</tr>
<tr>
<td>Loosely coupled</td>
<td>Consensus democracy, voluntary negotiations, yardstick competition</td>
<td></td>
</tr>
</tbody>
</table>
The above figure provides a preliminary overview to be explored further in depth. Important to note is that, for one, this represents a general typologisation that, on the other hand, does not capture the entire spectrum of variance. Moreover, these composite patterns may differ within types, or more precisely ‘cases’ by policy area as much as over time. This warrants consideration, especially for the purpose of capturing not only institutional continuity but also (and much more so) change and federal dynamics in general. While our typology is based necessarily on applicability to empirical cases, we shy away from building an index of features for a number of reasons. It would seem to invite substantial distortions by deciding ‘weights’ of the respective features in our multidimensional scheme. For instance, it is neither empirically nor conceptually informative to decide whether the feature of council or parliamentary second chamber or the feature of prevalence or lack of intergovernmental conferences says ‘more’ about coupling type between federalism and democracy. While more complex, though admittedly also more open to different interpretations, we propose categorizing the features in the respective dimensions as outlined above to then be analysed in individual cases of federal democracies.

5. Conclusion

The purpose of this conceptualization of democratic federalism or federal democracy is not to measure change, but to understand how these compound systems work and why they change or why they become rigid. Admittedly, this approach to patterns of federalism and democracy provides little to no information about quality of policy or overall ‘performance’ of different polities, as several other indexes measuring the quality of democracy or the degree of decentralization or federalism have attempted. On the other hand, historical analyses of the development of federal systems, similar to the emergence and development of
different government forms like presidentialism and parliamentarism or majoritarian and consensus democracies (see e.g. Cheibub, Elkins and Ginsburg 2014), reveal that context and dynamics more than a ‘rational choice’ determine the development of different federal models (see e.g. Benz 2013; Broschek 2011). Nonetheless, ‘choices’ are not irrelevant particularly in the sense of patterns of learning and adaptation over time. This connects to how different federal democracies develop various coupling arrangements for coping and effectively managing the tensions between the two regime dimensions. As we tried to indicate, coupling is affected by structural or institutional conditions, but also by governance and strategic action of political actors. Therefore, conceptualising coupling arrangements between the federal and democratic division of powers dimensions not only allows to capture various ‘patterns of federal democracy’. This can also foster a richer understanding and analysis of varieties of federalism, and provide an enhanced approach to studying directions of institutional change and continuity in federal and federalizing systems.

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