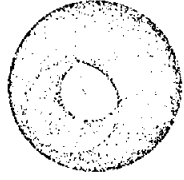# POLICY STUDIES INSTITUTE

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Institute for   Institut de
Research on   Recherches
Public Policy   Politiques

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S E M I N A R

ON

REGIONALISM AND SUPRA-NATIONALISM

Co-Sponsored by

The Institute for Research on Public Policy

and

The Policy Studies Institute

March 21 and 22, 1980

London, England

AGENDA

Unless otherwise noted, the
seminar will be held at the
Policy Studies Institute
1/2 Castle Lane, London.
(A block and a half from
Buckingham Palace.)

Friday, March 21, 1980

9.00 a.m.

Federalism, Regionalism and Supra-National Integration

Speakers: Ronald L. Watts, Principal
and Vice-Chancellor of Queens
University, Kingston, Ontario

and

Gordon Smith, Senior Lecturer
in Government, London School
of Economics and Political Science

This session will focus on the definition of
the problems posed to nation-states by the
rise of regionalism and supra-nationalism.
In particular, it will examine the extent
to which federalism has accommodated and
can accommodate regional decentralization
and integration. It will also focus on the
problems for the nation-states by the rise
of regional cultures, inflexible political
structures and multi-national economics
and the ways in which different federal
structures might resolve or contain these
problems.

10.30 a.m.   BREAK

11.00 a.m.   Continuation of Discussion

12.30 p.m.   LUNCH (at the Policy Studies Institute)

2.30 p.m.

Regionalism in Europe

Speaker: Jacques Vandamme
Professor of Public Law at
Louvain University, Belgium

This session will explore the extent to
which the rise of regionalism in Europe
is based on unique situations within each
country or on common circumstances across
a variety of countries. It will also
explore the extent to which regional
pressures might usefully be accommodated
by a federal structure, or by some form
of devolution of power.

4:00 p.m.

BREAK

4:30 p.m.

Regionalism in Canada

Speaker: Raymond Breton, Director of
the Ethnic and Cultural Diversity
Program, Institute for Research
Public Policy

Are the factors causing the increase of
Canadian regionalism unique to Canada or
part of large, international trends? What
is the heart of Canadian regionalism,
particularly as experienced in the Maritimes,
Quebec and western Canada?

6.00 p.m.

Adjournment

7.45 for
8.00 p.m.

DINNER (at St. Ermin's Hotel, Caxton Street,
London, SW1)

Saturday, March 22, 1980

9.00 a.m.

Supra-National Integration

Speakers: Helen Wallace, Lecturer in
Public Administration at the
Civil Service College, London

and

Denis Stairs, Professor of
Political Science, Dalhousie
University, Halifax, Nova Scotia

This session will focus on the impact which
supra-nationalism is having on the United
Kingdom and other member-states of the
European Economic Community. It will compare
this with the issue of continentalism and
its future in North America.

10.30 a.m.

BREAK

11.00 a.m.

Continuation of Discussion.

12.30 p.m.

Sandwich lunch at the Policy Studies Institute

2.00 p.m.

The Way Ahead

This session will try to bring together
the results of the previous four sessions
to examine questions such as:

- Is the nation-state evolving into a
  superior (?) form of federalism?
- What are the economic consequences of
  disintegration or integration?
- What will the future role of political
  parties, constitutions, private interest
  groups be?
- Agenda for further research

4.00 p.m.

Adjournment.

5.00 - 7.00 pm

The Canadian High Commissioner, Mrs Wadds,
is offering Drinks from 5 - 7 pm, at
12 Upper Brook Street, London W1.

SEMINAR ON REGIONALISM AND SUPRA-NATIONALISM

21 and 22 March 1980

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Friday   RICHARD DAVIES
lunch only   Administrative Director

                ELIZABETH GARTON
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                AMANDA TRAFFORD
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                JOANNA MUSSEN
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March 21-22, 1980, London England

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REGIONALISM IN CANADA: THE
RECENT INCREASE AND ITS DETERMINANTS

by

Raymond Breton
Institute for Research on Public Policy
and
The University of Toronto

February, 1980

During the last two decades, regions seemed to have acquired an increased importance in Canadian economic, political and cultural life. This increased importance manifests itself in the organization of various kinds of activities and in the socio-political rhetoric. What are some of the factors underlying this increase in regionalism? Which forces act in the direction of regionalism and which one's against it and why is it that the former tend to predominate over the latter in recent years?

In order to address this question, it is important to indicate the conception of "region" and "regionalism" adopted for the analysis presented in this essay. That is to say, it is necessary to identify what is sociologically meaningful about the regional reality. Indeed, the way one approaches that reality, the dimension one sees as significant in it determine to a large extent the subsequent search for explanations.

Once the kind of phenomena that region and regionalism represent have been discussed, an explanatory framework will be formulated and used to identify some of the events and circumstances in Canadian economic, political and cultural life which may account for the recent re-emergence of regionalism.[1]

It seems useful, then, to begin with the question "What is a region?" Although the word "region" is used quite frequently, it is not a concept that is easy to use in an analytical discourse. It can have different meanings partly because there are a number of ways in which regions can be defined. Regions may be delimited on the basis of certain population characteristics. This is relatively easy and clear when there are identifiable linguistic or cultural traits that distinguish the population of an area. However, fairly homogeneous populations may also be divided into regions defined along other dimensions: political or administrative divisions, feature of the natural environment such as mountain chains, or type of terrain, historical circumstances such as sequence of settlement, previous occupation by other people and the like. For planning purposes, regions may be delimited in terms of level of socio-economic development or

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[1]Fox (1969) shows that, historically, Canada's political life has experienced movements back and forth from centralism to regionalism.

the predominant type of economic activity (e.g. resources extraction, fisheries, manufacturing, agriculture) or for the administration of programmes or the delivery of services. Regions may also be delimited in demographic terms, such as population density.

These different criteria may all have some validity and usefulness. They may not, however, all be equally appropriate for an understanding of regionalism and of its variations from one place to another or from a period of time to another. Therefore, in order to proceed further with the notion of region and with the identification of its relevant components, it is necessary to specify what is meant by regionalism.

On the one hand, regionalism is sometimes used almost synonymously with region as when "growing regionalism" is used to denote the increasing importance of regions in a country. On the other hand, it is also used to signify a socio-psychological and political reality. As a socio-psychological phenomenon, regionalism refers to a set of attitudes and feelings: an identification with an area; a sense of a certain distinctiveness from other areas; an attachment to a territory, its people and institutions. It is the result of the process whereby a particular geographic space is transformed into a social space, that is a space imbued with meanings and emotional connotations not attributed to other spaces.

Regionalism is also a political phenomenon: not in the sense of electoral, governmental, or administrative units (these are political or administrative regions), but rather in the sense of collective behaviour. More specifically, interests - economic, political, cultural - can be defined and articulated in regional terms. When the matters that become political issues are those that are perceived by the relevant actors as pertaining to a particular area, we have a manifestation of regionalism; when political conflicts concern the allocation of resources among regions, we have a manifestation of regionalism. Regionalism, then, is partly a frame of mind that leads to the identification of circumstances

and events related to the condition of a region, and partly a process whereby these circumstances and events are mode into regional issues.

It is clear from the above conception of regionalism that we must adopt a view of region that is meaningful for the people involved (elite and non-elite) and not one that is necessarily useful for planners, economic and social analysts, geographers, or geologists. Region refers necessarily to territory or geographic space, that is to a natural environment in which a population pursues activities, carries out transactions, and establishes social bonds. All human activities either take place in relation to the natural environment or are circumscribed within territorial boundaries more or less broadly defined. The natural environment provides resources and possibilities as well as obstacles and limitations for the pursuit of activities. Moreover, people carry out their activities and transactions individually, in groups, or in organizations. This means that it is not only individuals that are tied to a particular territory, but groups and organizations as well.

If we were to represent on a map all the interactions -- transactions, communications, conflicts, collaborations, and so on -- among individuals, groups and organizations, we may observe a number of clusters within which the density of interactions is relatively greater; that is, we would observe that individuals, groups and organizations in the geographically delimited clusters have substantially more relationships among each other than with those located in other clusters. It would then be possible to draw lines that would identify regions and sub-regions. Of course, there would in all likelihood be segments difficult to locate in one or another cluster, at least in so far as certain transactions are concerned. In other words, the boundaries between regions may not be clearly and unambiguously identifiable. In short, regions refer to the territorial patterning of activities, interactions, and social organization.

There is another important way in which the territory may be divided: into areas of jurisdiction, that is, areas to which the exercise of authority is restricted. Authority frequently has territorial limits

either in the case of companies with offices or plants in different locations, in the case of political institutions, especially when it has a federal form or organization, and in the case of associations such as labour unions.

Usually, the network of communications and transactions and the area of jurisdiction do not exist independently of each other. On the one hand, the interorganizational system and the patterns of relationships (exchanges, conflicts) that take place in it may contribute to define the political boundaries and the nature of the political system. For instance, it has been pointed out with regard to federalism that:

> "In all developed societies there are groups striving to secure governmental actions that they perceive to be favourable to their aspirations and interests. Federal governments can be sustained only in societies which are themselves federal, that is societies where people believe that their interests in respect to a number of important matters are specific to geographical divisions of the country rather than to the country as a whole. On the other hand, federalism has little relevance if the major incidences of political differentiation relate to class, religious, occupational or other groupings which are not territorially located" (Smiley, 1970:5).

On the other hand, once established political institutions and areas of jurisdiction may become a significant factor in the territorial arrangement of activities and relationships and, thus, in the territorial definition of interests.[1]

Such considerations underscore the importance of thinking in terms of inter-institutional transactions and linkages. If we focused on any one organization, we would observe that in order to understand its situation and the behaviour of its members we would have to consider the other organizations that it relates with: competitors, suppliers of raw material or technology, the business association of which it is a member, the labour union(s), the government as policy-maker, allocating body, regulatory agency, and service-provider, political parties, churches or church-related groups, citizen

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[1]On this matter, see in particular Simeon (1975), Black and Cairns (1966), Cairns (1978), and Kwavnick (1975).

groups such as environmentalists, the media, educational institutions
and so on. All these organizations do not have an equal importance
for the behaviour of the focal organization; it depends on such things
as the issue and the amount of resources they control or the influence
they wield in the community. Of course, if the focal organization
is a TV station, the set of relevant organizations will be partly different
than if it is, say, a university. But both are part of an inter-
organizational system.

A region is an agglomeration of such inter-organizational systems:
it is a configuration of partly competing, partly interdependent interests
rooted in the ownership and/or use of a land and its resources and in
the institutional system by means of which individuals and groups function
in that particular environment. There are two key elements here: the
profit potential of a particular piece of land or of a particular
organization and the patterns of interdependency whereby that potential
is affected by surrounding pieces of land and organizations:

> "If there is a simple ownership, the relationship is
> straightforward: to the degree to which the land's profit
> potential is enhanced, one's own wealth is increased. In
> other cases, the relationship may be more subtle: one has
> interest in an adjacent parcel, and if a noxious use should
> appear, one's own parcel may be harmed. More subtle still
> is the emergence of concern for an aggregate of parcels: one
> sees that one's future is bound to the future of a larger area,
> that the future enjoyment of financial benefit flowing from
> a given parcel will derive from the general future of the
> proximate aggregate of parcels. When this occurs, there is
> that "we feeling" (McKenzie, 1922) which bespeaks of community"
> (Molotch, 1976: 310-311).

Molotch writes in terms of parcels of land; but I feel organizations
should be included. It is then possible to consider regions as systems
organizational and land-related interests on which the well-being of certain
individuals and groups depends. These interests pertain to the benefits
that may accrue from natural resources, to the richness of career
opportunities, and to the bases afforded for the exercise of power.

Two words of caution should be mentioned concerning the view of the region as a system of interests. First, the notion of "interests" should not be taken in its narrow sense to refer only to economic conditions. It includes social, political and cultural components as well. Indeed institutions, whatever their dominant features, embody all these different elements. A business firm, for instance, involves in addition to the economic factor social elements such as the relations among its personnel and those with the community. It has cultural features since it operates with a particular language, is based on certain values concerning, for example, property, the environment, authority, human rights, and has a culturally defined style of management. It is also political in the sense that it is affected by governmental decisions and therefore has an interest in attempting to influence those decisions. The same could be said of all institutions: each involves economic, political, social and cultural interests, although the particular mix usually varies from one institution to another.

When a region is culturally distinct from the others, the cultural factor tend to be more salient, especially if the region is in a minority situation vis-a-vis the others. This feature of the regional system of interests is particularly important in Canada with its culturally and linguistically defined regions and sub-regions.

Second, it is not assumed that the regional interests are of equal importance to all the groups and categories of people in the region. Elites usually have more at stake in the conditions of institutions than non-elites. When certain kinds of benefits flow to a region, there may well be conflicts among groups and classes over the distribution of these benefits. We are not assuming homogeneity of interests within a region; rather, what is argued is that a region represents a system of interdependent interests in interaction with interests located in other regions. In other words, events (e.g. a policy) can occur that will affect the region qua region so that a wide array of groups and organizations benefit from them (or lose, depending on the nature of the event), albeit

in varying degrees. Sometimes the same events will favour certain groups but disfavour others in the same region: another manifestation of the interdependence of interests.

If one looks at the Canadian situation from this perspective, it appears fairly clear that the significant regional units are the provinces. In the literature, one frequently reads of six regions (The Atlantic Region, Quebec, Ontario, The Prairies, British Columbia, The Northwest Territories), sometimes reduced to five by grouping British Columbia and the Prairies as The West, or to four by referring to Ontario and Quebec as Central Canada. It seems however, that the configurations of ecological and institutional interests have a provincial basis, not a regional one. That is to say, there is not much of an interinstitutional system organized on a regional basis, if we mean by "regional" a group of 2, 3 or 4 provinces. There may be similarities of interest among a group of provinces and thus a basis for alliances among them in order, for instance, to put pressure on the central government. It seems, however, that in most instances, the "common" pressure is actually an identical, but independent reaction to a particular federal gesture rather than a concerted response. In this essay, region and province will be used interchangeably. The significant patterns of transactions -- interindividual, intergroup, interinstitutional -- occur at the level of the provinces and not of groups of provinces.

This is the conclusion that Fox reaches after an analysis of the political situation during the 1960s:

> "Regionalism is a concept capable of many definitions, but if one adopts the common interpretation that it implies, the grouping together of provincial areas for common purposes, there is little evidence that this has yet happened on a grand scale" (1969: 28).

This statement strikes me as a fair description of the contemporary situation. Moreover, I would extend it to the entire interinstitutional system and not limit it to the state apparatus. Little grouping together of provincial areas is emerging.

II

One source of regionalism, then, is the presence of institutions in interaction with a particular natural environment. In other words, it is difficult to think of regionalism unless there is a geographically circumscribed system of interests at stake. This is a necessary condition for the emergence of regionalism as a socio-political phenomenon. It is not, however, a sufficient one. In order to identify additional determinants, it is useful to turn to the factors that can affect the system of ecological and organizational interests that a region (province) represents; that is, to the factors that impinge on its maintenance and growth as a system of property, a set of career opportunities and a power base.

There are several such factors some of which are internal to the region, others external. Among the internal factors are "the quantities (per capita) of labour, capital and natural resources allocated to the productive processes; ... the quality of the factors of production, i.e. improvement in labour quality through training, education and job experience; improvements in efficiency of capital through technological change; and improvements in the resource base through new discoveries, new exploration techniques and through acquisition of new resources"; and the organization of the allocation of resources to the production process (Dodge, 1979: 1-2). There is an abundant literature that pertains to these factors and underscores their importance.

I would like, however, to emphasize the importance of "external" factors in fostering regionalism. This includes the circumstances and events that occur in other regions and the resulting pattern of interregional relationships. I would like to argue that regionalism has to do primarily with the place of a region in this interregional system and that internal factors such as those mentioned above are important only in so far as they are affected by external circumstances and have an impact on the relative position of a region. For instance, the scarcity of natural resources, a high rate of unemployment, low incomes are not likely to trigger regionalism. Socio-political movements or interest group activity may emerge to correct the situation, but these

will not have a regionalistic character unless the situation is perceived by
the result of external events and circumstances.

To a considerable extent the modern enterprise is a multi-
organizational entity: it has production units in several localities,
regions or nations. An important characterisitc of such multi-
organizational system is that they usually involve a physical separation
of the decision-making (at least at the policy if not at the operational
level) from the production units. The latter are dispersed across geographic
areas while control over organizational resources and their allocation
is centralized in a particular location. The modern multiregional enterprise
(within or across national boundaries) is a highly integrated form of
organization with central direction as one of its distinguishing features.
To the extent that a skewed distribution of organizational control exists,
one can expect implications for the strength and growth of the institutional
systems of the various regions. The existing distribution of control,
however, may not remain a static phenomenon. Indeed, it will be argued
later that phenomena such as regionalism (and nationalism) are in many
ways attempts to bring about shifts in that distribution.

The dissociation between control on the one hand and production
of goods or delivery of services on the other may occur in the private, semi-
public (voluntary associations, non-profit organizations) sectors as well
as in the public or governmental sector. In other words, in all three
sectors, a deconcentration of production or delivery functions may
coexist with a centralization of control.

In the private sector, major policy decisions are made by the
corporate elites in the basis of criteria, policies and considerations
that pertain to the enterprise as a whole and not necessarily to the
particular locality(ies) in which it has plants. In the semi-public and
public sectors, something similar takes place, except that the process is
complicated by political factors such as the distribution of voters,
the power of various interests groups and, in federal systems such as in
Canada, the division of powers and responsibilities between levels of government.

"Political" factors are no doubt present in the private sector as well, in the sense that decisions are not made on purely technical and market consideration; but political factors certainly predominate in the semi-public and especially in the public sector.

The private sector makes decisions concerning the location of plants; the size of investments in various areas; the location of research and development activities; the renewal of resources (e.g. reforestration); and so on. Voluntary associations and non-profit organizations make similar decisions concerning the location of their activities and services; concerning the problems to which they give priority in their programs -- problems 'that may have differential relevance for the various regions; the expansion or contraction of their regional offices; and other similar decisions with a regional impact.

Governments also made important decisions concerning, for instance, the location of its planning centers as well as its various operational units whether they involve service delivery, administrative functions, or research activities. Governments can devise policies aimed at encouraging the development of an entrepreneurial class. Governments can establish banks and other industrial investment institutions to foster the development of industry -- and a large number of countries have done so. A government can establish enterprises of its own. It can grant exclusive franchises to certain industries, that is permitting and protecting a monopoly. Governments can also subsidize industries directly from tax revenues or through tax privileges and tariffs. Governments also make decisions about transportation and communication networks which are crucial for location as well as the amount of investments.

In other words, the policies and actions of private enterprises, semi-public organizations and governments affect the system of opportunities and constraints within which people in the various parts of the country operate. That is to say, one's career opportunities, the benefits one obtains from the exploitation of natural resources, and thus the degree of well-being and security one enjoys is partly dependent on decisions made outside the region. This may be a matter of reality, of the way reality is perceived, or both.

III

What is likely to happen when such a situation prevails?
Of course, if the externally made decisions based on "market"
considerations (including the "vote market") have positive effects on the
regional institutions and on the flow of benefits to the region, the
reaction is likely to be positive. It may consist in a greater attachment
to the nation (nationalism) or to the North American community (con-
tinentalism); "Isn't it greater to be part of this country!" "If it
wasn't for that company or for the federal government, our situation would
not be as good as it is!" Statements of that nature are voiced in Canada.
There exists in certain segments of the population the sentiments that
one's region benefits from its membership in the interregional system.

In other segments, however, regionalistic themes are voice arguing
that the decisions have been detrimental to their region. Basically,
three themes can be identified in the various regionalistic criticisms:
(a) that the region has been exploited; (b) that there has been a neglect
on the part of the national institutions particularly those that could
have been expected to do so, namely the governmental ones to contribute
to the strength and growth of the economic and cultural institutions
of the region; and (c) that the national organizations have not only
failed to participate significantly in the regional institutions - building
process but have sometimes contributed to their weakening.

A few illustrations of each category of regionalistic criticisms
will be presented. It is beyond the scope of this essay to make a complete
inventory of all the relevant behaviour of the "national" organizations
whether they be federal government, the banks, business corporations,
labour unions, political parties, churches, or various non-profit
organizations. The expressions of discontent are no doubt selective
in the "facts" and events they identify as objects of concern. This should
be no cause for surprise: socio-political movements usually arise not to
land a particular situation of fact but to change it in some regard or
other. There is thus a focus on "problems". Of course, counter movements
may arise to preserve a situation against those who want to change it.

The exploitation criticism is made in relation to different parts
of the country, but perhaps most forcefully with regard to the settlement
of the West. Much evidence is marshalled to support the argument that
this settlement was carried out in such a way as to serve Central Canadian
interests:

> "C.B. Macpherson (1953) has aptly referred to the Prairies
> as an 'internal colony' of Canada. High tariff barriers on
> manufactured goods protected eastern industrialists but forced
> Prairie farmers to pay inflated prices for their implements.
> Freight rates were arranged so as to discriminate against the
> West. The entire marketing infrastructure was monopolized by
> eaatern interests who could therefore to some degree set the
> prices paid for wheat and beef. Credit was controlled by
> eastern banking houses which charged seemingly exorbitant
> interest rates. It was largely in reaction to these facts
> of western life that populist political movements emerged".
> (Brym, 1978: 341).

Not surprisingly, there was an almost complete absence of regional
development policies at the federal level up until fairly recently.
Careless (1977) points out that active state intervention in economic
development was not part of the prevailing economic theories and social
ideology on which governmental policies and actions were based. Assistance
was provided to the less developed provinces so that their standard of living
would not be too far under the national average. But these were com-
pensatory policies; not developmental ones. In addition to ideological
factors, there were also real interests involved, interests that favoured
compensation rather than development in the non-central regions of the country:

> "Ontario rejected the federal government's claims that its
> incentives were neutral and simply confined to labour market
> adjustments; instead it argued that federal policies were
> diverting the natural and most efficient location of industry,
> labour, and capital. It warned that the "welfare" ADA[1]
> policy would impede efficient overall growth ... Ontario's
> objections became more vocal after the Area Development Agency
> was replaced by the Area Development Incentives Act of 1965
> and subsequently by the Regional Development Incentives Act in 1969 ...
> While Ontario did not begrudge this flow of funds to achieve
> a rough equalization in Canada of tax burdens or the levelling-
> up of services, it did very much resent this added federal
> interference in the economy which it viewed as a warping of the
> natural economic forces and flows which had made the province
> so prosperous" (Careless, 1977: 99-100).

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[1] Area Development Agency.

The low level of involvement of central Canadian economic enterprises in the development of various regions is usually explained by the comparatively low levels of return that a number of region offer either because of the level of qualification of their manpower, their distance from markets, and the like. Critics, however, point out that many opportunities were missed because of lack of interest or because of a high degree of risk aversion in the Canadian business and financial elite.

> "The province had gone to great lengths to entice eastern Canadian capital into the speculative search for Alberta's oil in the late 1930s and 1940s, with little or no response. Risk capital was not forthcoming from the large conservative financial institutions of Bay and St. James Streets (a fact still etched into Calgary's collective memory), and the small independents were far too weak to raise the large sums needed for exploration and development. The group of Calgary businessmen who eventually found oil in the Turner Valley in 1936, and went on to create Home Oil, were able to do so only after turning to the major oil companies. A government delegation had visited Britain in 1939 in an attempt to interest the Admiralty in long-term access to Alberta's oil, but the war had intervened before anything came of this approach. The province was neither financially nor ideologically disposed to raising risk capital for highly speculative oil ventures -- Imperial's long string of dry holes encouraged risk-aversion -- through crown companies. Thus, as Manning saw it, there was no alternative to heavy reliance on American capital" (Richards and Pratt, 1979: 83-84).

The "Sarnia incident" is also mentioned as an illustration of a lack of concern on the part of Central Canadian institutions for the development of other regions:

> "And the province (Alberta) became aware of the threat to its own plans for regional development posed by a third world-scale project, Petrosar -- this one planned for Sarnia, the traditional centre of the Canadian petrochemical industry, and headed by a federal crown corporation. Petrosar would convert naphtha to ethylene and consume 170,000 barrels a day of Alberta crude oil -- a classic example, from Alberta's perspective, of the West's resources being used to the detriment of western regional industrial prospects" (Richards and Pratt, 1979: 244).

Frequently the "low profitability" argument is accepted; the necessity of providing incentives for firms to establish themselves in a region is recognized. However, from a socio-political point of view, it could be argued that the size of the incentives that have to be provided is a measure of the lack of commitment on the part of "national organizations" to the development of the various regions[1] unless the incentives are provided by the federal government.

Another manifestation of the low interest in the development of a region is the tendency to use it only as a market or as a source of raw materials. When this occurs, relatively few employment opportunities are created in the region. In fact, the competition that external products entail may be such as to make it difficult for regional enterprises to continue operating. In order to control this, countries frequently try to reduce imports by adopting measures such as tariffs. This in fact, has been a factor in the growth of multinational companies which, in order to avoid the tariffs, have established plants in the protectionist countries.[2]

In a country like Canada, regions are constitutionally forbidden to establish tariffs. But attempts to establish "informal tariffs" are made, such as campaigns to buy commodities produced locally or priorities given to local goods and services in provincial government purchasing.

A third set of regionalistic criticisms point to the slow growth or decline of particular regions or communities within regions. The underlying causes of slow growth or decline may be varied and complex: technological changes, depletion of raw materials, new modes of communication, discovery of new and more cheaply exploitable resources elsewhere, direct or indirect effects of government policies or of international trade agreements, and so on. These phenomena may result in a weakening of the interinstitutional system of a region: closing down of plants, moving of head offices to other areas, or reduction in the scale of operations. Such patterns

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[1] From an economic point of view, it is a measure of the degree of "unprofitability" of a particular venture under "normal" market circumstances.

[2] On this, see for instance, Tugendhat, (1973: 34-35).

may be the outcome of power conflicts over the location of economic and related activities. They may be the unanticipated consequences of the fact that economic actors take advantage of technological advances or of new discoveries of resources wherever these may be the most profitable. Whether it is one or the other process, however, may not matter that much as far as the emergence of expressions of regionalistic discontent is concerned.[1] Residents of a region cannot be expected to experience a weakening of their institutional system — whatever the cause — without some sort of reaction aimed at mobilizing action against the declining trend.

From this perspective, regionalism represents a set of "non-market forces" aimed at influencing decisions in more or less remote centers of control — decisions that are seen as affecting the conditions of the region and the strength of its institutional system. If the feeling is that those centers of decisions are beyond the reach of one's influence, attempts will be made for a redistribution of the decision-making powers themselves. This may take many forms such as a provincial government acquiring a controlling interest in an enterprise, nationalization of the enterprise, a redistribution of governmental powers from the central to the provincial (regional) governments, and so on.

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[1]It may, however, matter for the nature of the solution to be adopted. The complexity of the matter is illustrated by the debate over the causes of the deterioration of the economic position of Quebec relative to Ontario: see Fréchette (1977) and the accompanying comments by Shoyama and Deutsch.

IV

Sometimes expressions of regionalism (or of nationalism) strikes certain people as a form of ungratefulness. This occurs in particular when, after having invited or induced banks, industrial enterprises, national governments or governments of other regions to invest, open operations or in some way participate in the development of the region, dissatisfaction is voiced concerning their role or their very presence. This is in some ways the case of francophone Quebec in relation with its anglophone component, with Ontario and the federal government. The Quebecors political and economic nationalism[1] appears to many as unreasonable. ("They would be in a miserable shape if it wasn't for us!" "It's the fault of their religion and educational system, if they have not done better!"). 'Albertans are also seen as "ungrateful" (When they were a have-not province, we shared our wealth!").

The new demands are perceived as an attempt to change the rules of the game. And, in a way, it is. Indeed, Moran (1974) and Richards and Pratt (1979) who apply Moran's framework to the Prairie case argue that the bargaining between organizations (governmental and/or private) should be looked at in its dynamic dimension. When a government wants to develop its region and lacks the means to do so (capital, technology, skilled personnel, market organization, natural resources), it may seek the assistance of external organizations (private or governmental) for the development. The initial situation is described as follows by Moran:

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[1] The language legislation is part of the economic nationalism.

"The foreign investor starts from a position of monopoly control over the capacity to create a working operation ... — a monopoly control that only a few alternative competitors could supply at a broadly similar price. There is always a great deal of uncertainty[1] about whether the investment can be made into a success and what the final costs of production and operation will be. The government would like to see its natural resource potential become a source of revenue and employment, but the government cannot itself supply the services needed from the foreign investor and is even less qualified than the investor to evaluate the risk and uncertainty involved" (Moran, 1974: 159).

The terms of exchange are affected by the degree of uncertainty which may itself vary: it may for example be higher in natural resource industries than in other areas. The number of "alterantive competitors" may also vary, thus affecting the power/dependence ratio and therefore the terms of exchange.[2] In short, it is a situation of "unequal exchange", the asymmetry of which can be more or less pronounced. It is a situation which favours disproportionately one of the parties:

"The conditions under which a foreign company will agree to invest must initially reflect both his monopoly control of skills and his heavy discounting for risk and uncertainty. The host government may want to get as much as possible from the new venture. But the strength of the bargaining is on the side of the foreign investor, and the terms of the initial concession are going to be heavily weighted in his favor" (Moran, 1974: 159).

The negotiated arrangement can take many forms: "joint ventures between foreign companies and domestic concerns, private and/or public", hiring "the skills and expertise of foreign corporations on a service contract basis, or rely exclusively on foreign investors and attempt to capture the economic rents through some mix of licencing and financial policies" (Richards and Pratt, 1979: 72).[3]

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[1] At least in the case of the exploitation of natural resources.

[2] Moran discusses the bargaining parameters and processes in the case of a single industry; the situation can of course be repeated across several industrial areas in a particular region.

[3] The authors mention two other strategies, but they involve "domestic" organizations only.

The last of these opinions involves giving up a substantial portion of the control of the enterprise and of the economic rents in exchange for development. Exchange of that nature can take place between private firms, and between governments and private firms, and between governments (as when a poorer level of government exchange some of its powers for financial assistance).

Moran's hypothesis is that as the benefits of the initial arrangement starts paying off -- either in terms of financial resources, skilled manpower, technological transfers to the region, managerial talent -- the demand to renegotiate the "contract" will begin to be felt. New regional elites and those who aspire to a share of the benefits are likely to put pressure for a renegotiated deal that would be more advantageous to them and less to the external actors. They may argue that the natural wealth of the region should benefit primarily its inhabitants rather than foreigners; when manufacturing enterprises are involved, they may argue that a substantial portion of the profits are made by selling in the regional market and therefore there should be reinvested in the region; that the people from the region should have better career opportunities in the enterprises; and so on.

Viewed from this perspective, regionalism represents an attempt to renegotiate the terms of a previous "agreement", whether that previous "agreement" had been an explicit or an implicit one. The renegotiations may concern the various benefits that occur from the operation of the organization (reinvestments, jobs and career lines,[1] research and

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[1] In the light of this framework, the language legislation in Quebec can be seen as an attempt to improve the amount of career lines for a certain class of people in the region exchanged against the benefits that companies derive from their operation in the region. As is well known, many firms are refusing to renegotiate the terms of the "contract" under which they had been functioning up to then. Others seem to have begun to move to a new arrangement as far as language and career are concerned as a result of the diffuse social pressure of the 60s; others waited for the direct pressure of the legislation, but in the end essentially agreed to make some changes in the "contract".

development, technological renovation); on the other hand, the renegotiations may have to do with something more fundamental: the control of the organization itself; the redistribution of powers.[1]   This may concern arrangements between private corporations, between governments and private corporations, between levels of government in a federal structure, and between governments of countries.

V

Regions and regional interests are always there, so to speak, since they are embedded in the ecological and institutional system of particular geographic areas. Regionalism as a socio-political phenomenon, however, may come and go. As a process whereby discontent and demands are articulated and whereby pressures for action are exerted, regionalism has been a fluctuating phenomenon. Fox (1969), for example, has shown that as far as governmental powers are concerned, we are now in "a period in which power is flowing away from Ottawa towards the provinces. This is part of an alternating rhythm that has characterized the history of Canadian federalism since Confederation" (1969: 28). This trend is not restricted to the governmental institutions; it manifests itself in economic, social and cultural institutions as well. It is appropriate, then, to attempt to identify some of the recent changes in different parts of the country that could have triggered the contemporary wave of regionalism.

The foregoing discussion suggests that there are two basic kinds of regionalism. On the one hand, there is a regionalism that could be labelled "reactive" since it consists in a reaction to relatively slower growth (in relation to other regions) or to decline in absolute terms

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[1]For a more detailed discussion of the distribution of organizational control among regional and linguistic sub-societies, see Breton and Breton (1978).

and to the forces perceived as responsible for such trends. On the other hand, there is what could be referred to as an "entrepreneurial regionalism" that seeks to take advantage of new circumstances and renegotiate previously established terms of exchange between regional and external institutions.

Each region of Canada appears to be experiencing a mixture of both kinds of regionalism, although in some the dominant version is the entrepreneurial while in others it is the reactive type. In general, there appears to be more entrepreneurial regionalism in Canada today than the reactive variety. The following statement illustrates this point:

> "The provinces have become obsessed, as perhaps we all have, with the goal of rapid economic development, especially in the field of exploiting natural resources. The feverish desire to expand economically has reached the proportions of an epidemic in the provinces, like an exotic disease striking a remote people. The mania is pervasive and consuming, affecting virtually all the provinces whether they are rich or poor, large or small, or predominantly French-speaking or English-speaking. One hears on all sides of strenuous efforts and grandiose plans to develop provincial resources - dams in British Columbia, potash in Saskatchewan, iron ore in Quebec, heavy water in Nova Scotia, hydro-electric power in Labrador, etc.
>
> Almost every province has recently created a ministry for stimulating the exploitation of these resources, in whole or in part, and a number of the premiers have themselves taken on the job of being supersalesmen of their provinces' economic potential" (Fox, 1969: 24-25).

Some of the changes since the 1960s may have contributed to both types of regionalism. The substantial rise in the level of education throughout the country is a case in point. Education has a tendency to make people more aware and sensitive to existing deprivations and poor opportunities and to raise their levels of aspirations and expectations as well. In reality, these two effects of education are usually undistinguishable.

Several possibilities for growth have emerged in recent decades and education may well have fostered the desire and the possibility of taking advantage of them. For instance, as already mentioned, there are

the possibilities of growth in the resource-based industries together with the fact that, constitutionally, resources are under provincial jurisdiction. There have been enormous domestic and American investments in Canada during the period. With the rise in education and in economic prosperity has been the growing demand for improvement in the quantity and quality of health, educational, welfare, cultural and transportation services. These areas of activity are either totally under provincial jurisdiction or under shared federal and provincial jurisdictions. This has led to a consideration growth of provincial expenditures and civil services -- both in absolute terms and in relation to the federal government.

Certain demographic phenomena are also relevant in this context. The so-called "baby boom" that followed the second world war had a significant impact on the age-composition of the population, thus giving more importance in the society to the element usually considered the most dynamic and enterprising. The important wave of immigration may very well have had a similar effect: immigrants tend to be young and frequently quite dynamic and enterprising as their very mobility suggests.

Many other factors could be mentioned[1] but the above are sufficient to formulate the following hypothesis: the increase in the number and proportion of people desiring to and capable of taking advantage of opportunities that resulted from demographic, economic, and social changes and the fact that a substantial proportion of the growth in opportunities has occurred in provincial areas and institutions are at the source of the rise in "entrepreneurial" regionalism. The system of opportunities has

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[1] For more documentation on such trends, see for example, Black and Cairns (1966) Fox (1969), Cairns (1978), Stevenson (1977), Pratt (1977), Richards and Pratt (1979), Breton et al (forthcoming). (

expanded and has been re-structured in such a way as to favour provincially-based activities and organizations. Hence an increased desire to take full advantage of the new possibilities.

Some parts of the country have experience a decline in the level of socio-economic activity and in the opportunities offered by their institutional systems. Sometimes the decline has been in absolute terms and sometimes in relative terms. Migration statistics indicate that certain areas are experiencing net losses of population. The fishing industry in the Atlantic provinces has suffered from considerable stock depletion (which may be gradually be recovered through the imposition of the 200-mile limit). Head offices and plants are leaving certain regions. The manufacturing sector is growing very slowly or even declining in certain areas. Some regions are receiving a relatively small share of corporate (domestic and foreign) investments. In some areas, the anticipation of decline when resources have been depleted is the cause for concern.

In short, some regions (or sub-regions) are experiencing or fear to experience an erosion of their institutional system in various domain of activity. It is hypothesized that these trends have tended to foster a "reactive" type of regionalism, that is a socio-political reaction against the slow growth or decline so as to bring about the adoption of measures to stop or reverse these trends.

VI

In Canada, there is not only regionalism but also anti-regionalism (just like there is not only nationalism, but anti-nationalism). It helps to understand the sources of regionalism if we consider briefly the opposition to it. The foregoing analysis is based on the idea that institutional systems exist at different "levels" and that they are interrelated in one

way or another. Thus, it is meaningful, at one level, to talk of the social organization[1] of the local community and therefore, of a system of interests rooted in that particular locality, its land and institutions and dependent on what happens to that land and institutions. There is also a national system of institution as well as an international one, that is institutions whose activities, resource bases and transactions transcend regional or national boundaries.

Of course, these different levels of social organization are not neatly delimited as if they existed independently of each other. The local community operates within the region which is located in a national framework which, in turn, is involved in an international network. But in spite of these interconnections, institutional systems can be identified primarily with one or another of the various levels.

To the extent that this is the case, it would be possible to identify categories of people who, for one reason or another, have come to make their income and pursue their careers in one or another of these institutional systems and to hypothesize that those who function in the local, national or international systems would tend to be anti-regionalists whenever they perceive the strengthening of regional institutions as detrimental or potentially detrimental to those at their own level. Regionalism and anti-regionalism represent in part attempts on the part of social, political or economic groups to mobilize support for the institutional level to which their careers and well-being have come to be tied.

Regionalism may not necessarily generate opposition: interests at different levels may coincide. For instance, the provincialization of a previously local educational system may be favoured by local groups and elites

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[1] Social organization is used here in its broad sense; it includes economic, political, and cultural components.

because it gives them access to more resources; the strengthing of the provincial educational institution results in a strengthening of the local one as well. On the other hand, if provincialization weakens the institutional power base of the local elite and/or renders the institution less adapted to locally defined needs, it is likely to encounter resistance. Similar arguments could be made concerning institutions at the other levels, such as for those at the regional in relation to those at the national level.[1] In Canada today, I would hypothesize that anti-regionalism occurs among groups whose interests are primarily tied to national or international institutional system rather than the local one. But this may change in the future.

The above hypothesis is not offered as a full explanation of anti-regionalism. There are other factors. In certain groups, for instance, anti-regionalism appears to be primarily ideological (as regionalism no doubt is in some circles).

Richards and Pratt write that:

> "Impatience with provincialism and indeed with federalism itself is one of (the English-speaking left's) foremost distinguishing traits. Indeed its dominant tradition, apart from its incorrigible penchant for sectarianism, is one of unabashed centralism, expressed as the belief that only a powerful federal government armed with overriding legislative and financial powers can regulate modern industrial capitalism and set in motion the transition towards a socialist society" (Richards and Pratt, 1979: 5).

Moreover, there are groups who attempt to operate at several levels and try to be in a position that allows them to take advantage of opportunities at as many levels as possible:

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[1] For a discussion of competition between levels of government as competition between groups with vested interests in two levels of institutions and of some of the possible consequences, see Breton et al (forthcoming).

"About all that can be concluded is that big business understands
that a federal political system provides interest groups with
a number of potential sources of leverage and veto points,
and that capital, like perfidious Albion, has no permanent
allies or enemies, only permanent interests" (Richards and Pratt,
1979: 8).

VII

Regions are interorganizational systems of more or less inter-
related interests, whether those be economic, political, cultural,
ecological or any mix thereof. It was argued that, viewed from this
perspective, the provinces constitute the various regions of Canada. The
interinstitutional systems are organized on a provincial basis in the
different parts of the country and provinces have a government that not
only represents itself on important set of interests but also provides
mechanisms for the articulation of the other related interests in its
territory.

Regionalism as a social and political phenomenon is the expression of
the sense of a common interest: the sense that what happens to the territory,
its resources and institutions, will affect all who depend on it for
their well-being. Of course, some groups and social classes have more at
stake than others; there are substantial inequalities in the distribution
of benefits or losses, depending on whether the interorganizational system
is healthy and expanding or weak and contracting.

It was argued that regionalism is usually based on the feeling that
what happens to the region is dependent on forces and centers of decision
located outside the region. This does not mean that what happens to a region
is unaffected by internal factors and decisions: these may be quite important
and may become objects of socio-political action, but such action will not
have a regionalistic character. Regionalism is a consciousness and a
political will oriented to external forces.

It may be a reaction to private, semi-public or public policies and decisions originating outside the region that are perceived as neglecting the institutions of the region or even as eroding them in terms of power, wealth and career opportunities; as depleting the resources of the region for the primary benefit of other regions; as sacrificing smaller and less powerful regions for the benefit of those with more votes and larger markets.

Regionalism may also be entrepreneurial. It may seek to take advantage of newly discovered or achieved potential for growth, whether this potential pertains to natural resources, enriched human resources, improved political organization, or to the assistance of other countries. In order to take advantage of such potential, attempts are likely to be made to gain increased control over the necessary institutional means. Such attempts may take the form of trying to achieve greater representation in the external centers of decisions, to influence in some way those centers, or to transfer control from the external center toward the region. Entrepreneurial regionalism involves pressures to renegotiate the previous terms of exchange and to change the arrangements through which regional and national or international organizations transact with each other.

Reactive regionalism reflects a position of weakness, of dependence on external centers: it seeks more attention to the interests of its population and institutions. Entrepreneurial re gionalism reflects a position of relative strength, a certain independence, at least in certain regards: it seeks to increase the institutional control at its disposal so as to make full use of its new advantages.

Does this mean that the forces of entrepreneurial regionalism will slowly weaken the national institutional system to the point where it will be difficult to think of Canada as a single country? I don't think so. What entrepreneurial regionalism means is that a shift is taking place from dependence to interdependence - a situation which, I would argue, is more desirable by any standards. It is not so much the entrepreneurial

regionalism of provinces like Alberta that poses the most serious problem of accommodation; rather, it is the reactive regionalism of provinces experiencing slow growth or even the potential erosion of their institutional system. Perhaps even more challenging is the situation of regions with substantial new potential but also with possibilities of significant decline in some institutional domains. Quebec and perhaps Saskatchewan seems to be experiencing both kinds of regionalism.

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Federalism, Regionalism and Supranational Integration

Crisis of the West European State?

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Is Western Europe afflicted by a 'crisis of the state'? There are
many who would say that it is not, and they might add that we should
concentrate on particular problems rather than raise issues dealing
with such an imponderable as 'the state'. Their views have merit:
it is temptingly easy to assume that a general crisis does exist just
because descriptions of 'ungovernability' have become commonplace.
Specific cases - the permanent crisis of government in Italy, the
violence of Basque separatism, the malaise of industrial relations in
Britain, linguistic fragmentation in Belgium, the 'colonial war' in
Northern Ireland - are all brought together to commit the fallacy of
aggregation.

Nonetheless, the evidence of diverse pressures is not to be
dismissed, and they all have implications for the authority of the
state, whether they take a dramatic form as with terrorism or are
almost imperceptible as in the impact of supranational forces. Yet
we face a difficulty. Is it feasible to try to relate the various
types and levels of problem in a coherent way? They all find a focus
in the state, but can we also disentangle their separate effects?

This analysis is an attempt to answer these questions.[1] It does
so by examining some of the leading features of the modern state and
by showing how the cumulative effect of changing conditions may be
altering the West European state in significant ways. To advance the

argument, it will be necessary to abstract those features of the state which appear currently relevant from a larger body of theory and apply them separately to developments in Western Europe. We can represent the leading attributes in summary form:-

1. The conception of the state as a legal and physical entity.

2. The relationship of the state to society.

3. The sources of legitimacy supporting the state.

Once the three perspectives have been outlined and examined in their West European context, it will be easier to trace possible 'lines of adjustment'. The advantage of this approach is that, whether we are sifting evidence of 'crisis' or looking at forms of accommodation, a theoretical coherence can be maintained. The contemporary state does not face a single, overwhelming crisis, but the pressures may lead to a substantial redefinition of its funtions.

The Decline of the 'Hard Shell' State

The view of the state as 'a legal and physical entity' is another way of expressing the theory of sovereignty and the recognition by others of a state's existence in the international community. Essentially, it is a rendering of the state in terms of law, but the concept can be understood in non-legal terms as well. The description used by John Herz is particularly apt: the state as providing a 'hard shell' towards its external environment.[2] We can appreciate that any state must seek to present a cohesive front to the outside world.

In a formal sense, the claim to sovereignty is the most important factor in maintaining cohesion, but there are other ingredients in the hard shell. Foremost is the state representing the prime unit of physical

security and the guardian of territorial integrity. The territorial aspect is, of course, vital, since without control over its own territory, a state's very existence is in jeopardy. A second ingredient is the state considered as the guarantor of economic autonomy. This economic function expresses the ability of the state to control its destiny in a world where the growth of trade and the international economy generally tends to undermine its competence and authority.

Although the role of 'guardian and guarantor' is basic to a state's performance, in practice a wide range of variation is possible. Outright failure would probably mean the demise of the state, but there is a large intermediate band between success and failure. Those states which are able to preserve a hard shell prove to be 'adequate', whilst others show varying degrees of inadequacy. The inadequate state may well survive and even prosper, but it is apparent that one of its central characteristics is made redundant.

It is possible to argue that the states of Western Europe have moved furthest away from the 'physical' requirements of adequacy, at least in comparison with their historical position. This relative shift has been dramatic in the speed with which the major West European powers have had to forfeit their independent provision for physical security. Ultimately, they all rely on the protective shield of the United States, and that is so whether the individual states concede their position through membership of the North Atlantic Treaty Organisation or whether they formally remain outside multilateral defence agreements. It is true that they still have the ability to protect themselves from their immediate neighbours within Western Europe, but the likelihood of having to do so is remote. In effect, the states have lost a substantial part of their independent protective

function, and this loss puts them in an entirely different category to others - the super-powers, the host of new states, and many older ones which still have to maintain their individual capabilities intact.

A parallel decline is evident in the economic realm, although the reasons are different and the evidence less conclusive. The states of Western Europe are particularly susceptible to the needs of advanced industrial society and developed capitalist systems. Western Europe has proved especially responsive to the economic pressures, in part because the need for wider markets conflicts with the restrictive nature of the numerous state boundaries. The creation of the European Economic Community can be seen as a response to the growing inadequacy of the West European state. However, too great an emphasis on the European Community should be avoided. Several states are quite able to maintain their position without becoming members, and the trends of economic transnationalism, although they have political implications, need not result in a formal, institutional expression as is the case with the European Community.[3] There is thus no imperative reason for supposing that economic inadequacy should result in the formation of a new political community.

Movements in the State/Society Line

The second attribute of the state concerns its internal functioning. Various means can be used to portray the relationship of state to society, and the idea of a 'line' separating or distinguishing the two which Poggi introduces in his formulation of a 'state/society line' is only one possibility.[4] It may be misleading to imply that a single notional line could represent the complexities of involvement between state and

society, even the interpenetration of the two. Any line would have
to be drawn differently according to the nature of the relationship
involved. In this discussion we shall only be concerned with the
economic relationships and the associated band of 'social welfare'
provision.

Movements in this 'line' have resulted partly from the requirements
of the economy itself which lead to increasing state regulation and
intervention which may take several forms. One manifestation is summed
up in the idea of 'corporatism' which typically is seen as a partnership
between the state and the private sector.[5] In one version of 'state
corporatism' the state assumes a leading role in the economy, moving
from being the supporter of the private sector to a position of effective
control over a range of decisions formerly taken by the individual firm.
Although the principle of private ownership is maintained, the private
sector becomes increasingly dependent on the state for its continued
survival. Whatever evaluation is made of the theory of corporatism, the
increasing responsibilities of the state stand out as the cardinal feature,
even though the 'line' is a blurred one: corporatism signifies the inter-
penetration of the state and sectors of society - to the detriment of
pluralism and the representative institutions of liberal democracy.

To this pressure for state involvement has to be added the demands
from society which lead directly to increasing state intervention. It
is in the nature of liberal democracy that social and welfare claims are
given maximum weight. Just because the liberal state is in no position
to reject the claims made upon its resources, it sometimes appears in
danger of being overwhelmed by them. Once shouldered, the commitments
are not easily shed, and the external view of the inadequate state may
have an internal equivalent in the form of an 'overextended' state.

Governments ignore social demands and expectations at their peril, for the nature of party competition is the determining factor. This is a general phenomenon of liberal democracies, especially where the catch-all party is predominant: the need to appeal to the same sectors of the electorate and the absence of competing ideologies sets a framework which restricts strong alternatives in policy - or at least their realisation. The state is caught on a rail of expanding commitment.

Western Europe differs from the model of catch-all party competition in a significant way.[6] Older party traditions have proved remarkably durable as have the parties which are associated with them. In this respect, the traditions of Social Democracy are of overriding importance.[7] Possibly they no longer represent the aspirations of an underprivileged working class or the dynamic appeal of a social movement, but they do correspond to the demands of the most important section of the electorate - the organised labour movement. The traditions continue to enshrine the values of collectivism which - for want of a practicable alternative - are indelibly marked with the imprint of state intervention and usually with state centralism as well: the purposive control of collective effort.

The Social Democratic component of West European party systems (to which for this purpose the Communist parties should be added) by no means controls even a majority of governments. Yet the collectivist spirit is pervasive, fostered by the terms of party competition on the one hand, and given support by the administrative traditions of European government on the other,[8] although a belief in the virtues of state direction and centralisation shares nothing with the ideals of collectivist equality. Some the consequences of the West European version of 'overextension' will become apparent when one looks at the third ingredient of the state: the sources of its legitimacy.

Popular Legitimacy and the Liberal State

To say that there are several sources of legitimacy for the state implies that we can move from the legal connotations of 'rightful authority' and sovereignty to the wider connections involved in ideas of 'loyalty to the state' and 'popular legitimacy'. As a loose expression, one might refer to support for the political system as a whole, and it is apparent that reasons for giving support will be various and subject to change.[9] Whilst the basic quality of legality must be present, at least to the extent that a modern state is founded on a belief in 'rational-legal' authority, by itself that characteristic may prove insufficient as a sanction or for strong attachment.

One basis for allegiance is located in the symbolic capacity of 'the nation' and especially its conjunction with the state in the formula of the 'nation state'. The appeal to national feeling rests on the presence of real and common affinities - a shared history, language and culture. But there are mythical, even arbitrary elements as well which Kedourie succinctly expressed in his definition: 'Nationalism is a doctrine invented at the beginning of the nineteenth century.'[10] If nations can create states, states can also create nations.

The implications are important. Nationalism and national feeling do not have a completely independent existence as a Sleeping Beauty simply waiting to be aroused. The sentiments which underpin the nation state depend on the performance and effectiveness of the state, beyond the record of successive governments. It is here that the particular qualities of the contemporary state become relevant. If a description of their 'inadequacy' and 'overextension' is to any extent true, then the bases of attachment may wear thin or, alternatively, substantially

change. One possibility is that strong national feeling may be replaced
by a cosmopolitan independence, a civilised Weltbürgertum. Another is
that new loyalties will arise in direct conflict with the nation state:
instead of the state being the focus of uncritical commitment, more local
affinities are discovered.

The relevance of these tendencies can be seen in the consequences
of the decline of the hard-shell state in Western Europe. If loyalty to
the nation state weakens as its external functions become redundant, will
there be a transfer of attachments to a supranational level? In this
context, the potential of the European Community is of obvious importance,
but its deficiencies are also considerable. Firstly, the Community is not
a supranational counterpart of the nation state in the quite basic sense
that it has not inherited the task of providing physical security - that
opportunity was relinquished in the failure to set up a European Defence
Community in the 1950s. Secondly, the process of integration has had an
ambiguous effect on the position of the member states. Whatever plans the
'European idealists' may have had to relegate them to a subodinate status,
the states remain the key intermediaries and retain a locus of authority
in the Council of Ministers and the European Council which none of the
other Community institutions can match. Indeed, the framework of the
Community encourages bilateral and multilateral links as much as the
supranational ones. Thirdly, the emphasis on economic integration has
made for a heightened awareness of competing national interests. Those
interests are not reconciled by evidence of an increasing imbalance of
economic strength, a disparity which will become greater with the admission
of Greece, Portugal and Spain. Nor has the Community proved convincing in
moving much beyond the primary, 'negative' stage of integration, the removal

of barriers, to a 'positive' one which might promote a European identity of interest and modify the imbalances.

For all these reasons, the prospects of the Community forming the basis of a supranational allegiance are dim at least in the foreseeable future. It is no surprise at all that public awareness and even knowledge of the European Community should remain at a low level, and that indifference was confirmed by the first direct election to the European Assembly.[11] Whatever the tactical successes of that body - for instance, in rejecting the Community's 1980 budget - the activities of shadowy 'transnational' parties are no substitute for the red meat of domestic politics.[12]

It is apparently more profitable to look within the states themselves for a resolution of the problems of legitimacy. But it is also clear that there are special difficulties facing the states in maintaining their internal level of support. The shift in the state/society line has had a paradoxical effect: in an era during which the state has become almost hypersensitive to the expressed needs of society, expressions of thwarted expectation and disillusionment have become rife. This reaction, however, is explicable if account is taken of the built-in 'escalating mechanism' of liberal democracy, and it is part of the syndrome of the overextended state.

The paradox can be formulated in an alternative way: signs of a mounting problem of 'governability' have become evident at a time when the basis of legitimate authority has been altering - away from the traditional sources towards a 'social-eudaemonic' type, in which the state is legitimised through its economic and social welfare capabilities.[13] The description of 'the distributive state' may be relevant, but it implies a kind of neutral arbitration when in fact the state becomes enmeshed in a web of competing and rising obligations.

The argument favoured here is that 'ungovernability' and overextension are closely related and that their combination represents a delegitimising process for the state.[14] Yet it has to be admitted that the ungovernability thesis is extremely vague in its application - problems of 'law and order', the ruthless pressing of sectional economic interests, more general signs of discontent in society, the turmoils associated with regional movements. Even if they have a common result - the embarrassment, even the helplessness of governments in facing one challenge after another to their authority - the profusion of claims by 'minorities' is offset almost entirely by the continuing quiescence of 'majorities'. It is evident that ungovernability in its literal sense has little relevance to the real situation in Western Europe.

Where it does have force is in bringing attention to the problems of the state engaged in a range of complex activities, faced with difficulties of coordination, and increasingly dependent on the cooperation of a host of social groups over which it is unable to exercise effective control. They are able to push demands, to exercise a power of veto, or simply to act in defiance of governmental authority. Those concerned may not be intent on challenging the legitimacy of the state, but the erosive effect is the same.[15] On occasion, there may be a danger of explosion which threatens the stability of a whole society, but that outcome is remote. After all, we are considering a group of countries which have highly stable political systems. If anything, their stability has increased in line with the wholesale decline of anti-system movements whether on the Right or the Left; their decline and the advent of 'Eurocommunism' indicate at least that there is little electoral appeal in following a revolutionary strategy.

Ungovernability, then, is better reserved for describing the vitiation

of authority rather than its overthrow. It is also of use in depicting popular attitudes towards government. Richard Rose uses the term 'civic indifference' to portray the possible trend: 'An indifferent citizen does not need to take up arms against a regime; he simply closes his eyes and ears to what it commands. The apathetic masses may sit out power struggles within government, and turn the victor's position into a hollow triumph by shutting out a new government behind a wall of indifference.'[16]

As we have seen, the state has already experienced a weakening of one source of its appeal through its changing external status. If that loss is compounded by an intransigent apathy within society, then the consequences for legitimacy are profound. The two developments may have occurred independently of one another, but they find a common expression in a renewed concern with the idea of 'territory' as a focus of popular loyalty.

The Territorial Dimension

One of the remarkable features of Western Europe in recent years has been the upsurge of claims on a regional level for varying degrees of local self-rule. In many cases the demands have been modest and peacefully expressed, but in others they have amounted to separatist movements and verged on civil war. But it is important to note that there has been no general challenge to constitutional integrity of the states: the total incidence of what we can conveniently refer to as 'sub-state' nationalism has been small and many West European countries have been entirely unaffected. Furthermore, the attractions of such movements wane as well as wax. Only a few years ago forecasts of the imminent break-up of the United Kingdom had to be taken seriously, but now - in the aftermath of the 1979 election - they are more likely to be derided.[17]
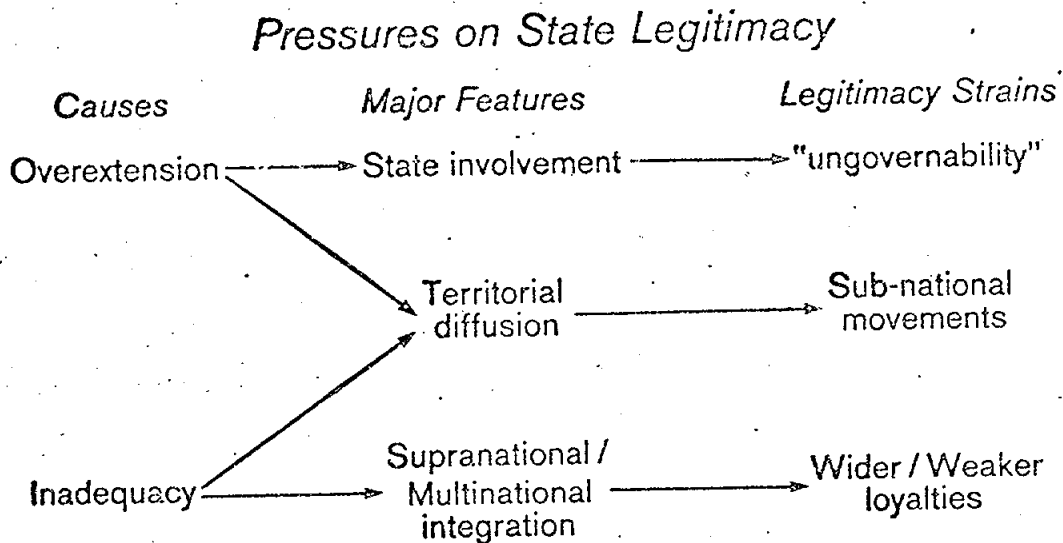
How should this uneven incidence and intensity be interpreted? One reason is fairly obvious: claims for freedom from central government will be made most readily in areas where there are strong ethnic, cultural or linguistic affinities. To some extent, they represent outcroppings of old identities which were submerged by the rise of the nation state. But why should this 'renaissance' of territorial minorities occur at the present time?[18] Frequently such movements are particularly active in regions which are remote from central government. Those regions are probably the first to appreciate the negative effects of a growing centralisation and show the sharpest reaction.

In fact, the rise or regeneration of a local consciousness need not be specifically linked to the pre-existing affinities. The pressure may come from real or perceived economic and related grievances which then in turn crystallise around the re-discovered identities. Once the latter have been revived, they can become a force in their own right irrespective of changing economic fortunes - but they may, of course, be deflected by other currents, typically being drawn back into the conventional party battle and the familiar Left/Right dichotomy.

This presentation helps to explain the uneven nature of regional movements, although the renewed significance of 'political territory' within the state can be accounted for in another way as well. The earlier reference to the external inadequacy of the state becomes relevant: the diminishing need to provide direct physical security against a potential aggressor has an immediate effect on the position of frontier regions, but more generally one can say that the declining territorial significance of the state allows other sub-national forces to assert their own claims. Thus we can see that the territorial dimension is important for the

question of legitimacy, not as a factor in its own right but as one which may be used by the state or which may be available to those who reject its authority. In brief, if there is a crisis of the state, then no solution can ignore the territorial element.

Before turning to ways in which adjustments might be made, the relationships involved in the pressures on the contemporary state are possibly most usefully summarised in diagram form.

Pressures on State Legitimacy

Causes	Major Features	Legitimacy Strains
Overextension	State involvement	"ungovernability"
	Territorial diffusion	Sub-national movements
Inadequacy	Supranational / Multinational integration	Wider / Weaker loyalties

Major Types of Solution

Any solution to the state's loss of legitimacy must concentrate on remedying the deficit attributable to one or more of the factors examined. Thus one possibility, an unrealistic one, might be to seek to restore the adequacy of the state: sever all multinational and supranational links and pursue a policy of isolation and autarky - with Albania as a good example. If the people could be convinced that such a strategy was unavoidable or desirable, it is conceivable that they would rally to the cause of the beleagured state.

A second approach focuses attention on the problem of overextension. It involves an attempt to extricate the state by re-drawing the state/ society line. Besides the belief that a withdrawal of the state would result in a general economic benefit for society, there is an important consequence for legitimacy: less government means more respected government. This resurrected 'anti-statist' philosophy has yet to be fully tested in Western Europe. By bringing a fresh injection of ideology into political debate and through its head-on conflict with the doctrine of collectivism, this new-style conservatism faces the risk of exposing social cleavages which had healed over. The resulting polarisation, far from enhancing the legitimacy of the state, could simply weaken it still further.

Other solutions leave the issue of the state/society line on one side by aiming instead at some kind of 'restructuring' of the state. _ A common objective is to secure an effective dispersion of the state's power on the grounds that it is the concentration of such power, rather than its extent, which leads to social discontent.

One possibility can be summed up in the slogan of 'democratisation'. It is a call for 'more democracy' which is directed against the view that the state and its apparatus should be protected from the influence of society, even though it may be politically responsible and thus democratically controlled. The enormous extension of state activity has not resulted in any fundamental reform of the traditional model of a unified and 'self-sufficient' state machine. One drastic remedy is not to 'bolster up' the legitimacy of the state, but to achieve its supplantation. In principle, the argument for a democratisation of the state avoids a straight political rendering, but it is also naturally associated with familiar ideologies of the Left, just as anti-statism is linked to the Right. There are

direct connections in the idea of democratisation with anarcho-syndicalism
as well as with Marxist views of the repressive character of the state.[19]
It is also a small step to take from democratising the state to democratising
society, with the identical aim of dispersing power. It is evident that
any attempt to restructure the state must have ideological implications
and they will lead to a strong polarisation in society. But does this
objection apply with the same force to 'territorial' solutions?

Answers in Decentralisation?

Admittedly, proposals for substantial decentralisation of power
can lead to just as much bitter debate as any other form of restructuring.
If there are firm centralist traditions any movement which threatens to
upset the existing balance will set up increased tension. Yet there is
a significant difference from the other solutions we have examined.
In the case of territorial decentralisation there need be no connection
with other lines of polarisation, and especially not with the Left-Right
axis. As a result, the political differences will tend to cut across
other cleavages instead of reinforcing them. Of course, the centre-
periphery conflict may reach such an intensity that it overshadows all
other forces and far from providing a solution it may signal the dissolution
of the state.[20]

Short of such disintegration, it does appear that measures aimed at
decentralisation are readily suited to accommodate the demands of sub-state
nationalism. The dispersion of power might be based on some federal-
type arrangement which - whether under the name of federalism or regionalism
- would have the essential federal ingredient: constitutional protection
against actions on the part of the central executive or legislature which
could weaken or even destroy the state/regional governments. The effect of

reaching agreement on decentralisation will be to ease the pressures on the legitimacy of the state, and its more diffuse expression may achieve more than attempts to retain a single focus of loyalty. Other benefits. may result. Although of itself decentralisation need not lead to greater democratic control, the chances are that this will come about through the weakening of the central bureaucracy and making its localised expressions amenable to control through legislative or other supervision. However, local control is not to be equated with democratic control, and whilst 'remoteness' may be overcome, the impact of state power, under whatever guise, may be just as distasteful.

Federal-type solutions are relevant to the special problems of societies which are linguistically divided or have other cultural segmentations which are expressed in a country's political geography. But do they have anything to contribute where such divisions are absent? Is there any case for carving up a unitary state if its difficulties are seen to lie in quite different directions?

One answer is that decentralisation probably has a beneficial integrative effect and that this result may be expected even where there are no sharp territorial discontents. Moreover, a federal-type system introduced in advance of demands for reform may reduce the intensity of later pressures. On this argument, it may be better to engage in large-scale decentralisation rather than wait for the presentation of even more sweeping claims. That advice is difficult to follow, and there are serious objections to imposing a rigid scheme of decentralisation. There is no certainty that the division of powers or territory will prove suitable for problems which emerge only later, yet once the allocation has been made subsequent changes will be strongly resisted: federal structures are probably the least amenable to

amendment. Furthermore, questions affecting the whole economy, or only particular sectors, require firm direction from the centre and policies which ignore territorial subdivisions. If constitutional engineering leaves such considerations out of account, the performance of a decentralised state will create more problems than its solves.

Two patterns of decentralisation are represented in Western Europe. One corresponds to the picture of linguistic/cultural fragmentation, with Switzerland as the chief example of federalism mitigating potentially divisive forces. In recent years, both Belgium and Spain have moved in the same direction in response to similar pressures, although the situation in each country is quite different. Switzerland has a complex mixture of linguistic and religious elements, and its present stability is the outcome of a long process of adaptation through association, not 'engineering'. The Belgian case is unique because of the approximate linguistic balance and the clear territorial demarcation involved,[21] whilst for all the other countries the conflicts arise from the claims of disadvantaged or oppressed minorities, typical of centre-periphery relations. That is particularly true for Spain where the demands by the Basques, and to a lesser extent the Catalans, have led to extensive measures of decentralisation.[22] The Spanish model is, in fact, the most appropriate one for Western Europe to the extent that distinctive cultural identities are involved. However, unless 'cultural identity' is very generously interpreted, there does not appear to be overmuch scope for re-drawing maps on such a basis.

It is the other pattern which may be of greater relevance: that is, decentralisation as a deliberately conceived device, instituted without any strong popular demand, but still having a definite federal ingredient.

That ideal seems remote from political reality. Governments are more inclined to uphold their own position and to be content with tinkering reforms to local government rather than embark on a wholesale rationalisation.[23] Two countries come near to the pattern of strong decentralisation and fulfil the requirements of being 'deliberately conceived' and set up in the absence of marked demand: Italy and West Germany. The Italian regions were provided for in the 1948 constitution of the republic, although the system of regional government was not fully implemented until 1970 - an indication of the rooted unwillingness of governments to cede power voluntarily. Significantly, the regions which did materialise early on were peripheral ones or those which, like the French-speaking Val d'Aosta or the German-speaking Trentino Alto-Adige, constituted a distinctive cultural identity.[24] The West German federal system, although drawing on the traditions of German federalism, was grafted on to Länder which had been largely created by the allied occupation powers prior to their incorporation in the Federal Republic by the terms of the 1949 Basic Law. Italy and West Germany have an important characteristic in common: their constitutions were drawn up at a time following a period of sharp political discontinuity. That 'advantage' is not generally available.

We can set out the conditions for a 'strong' form of decentralisation which will result in a federal-type government, making relevant comparisons with Germany and Italy. The first condition is that the states/regions should receive adequate protection. That objective is realised through the constitution, and in Germany and Italy it is further secured by the constitutional courts of the two countries. The West German system, however, adds a further form of protection by associating the Länder with the federal

legislative process. Their integration is made possible by providing for the direct representation of the Länder governments in the Bundesrat. Quite apart from the question of the powers which such a second chamber might have, the West German method avoids treating states or regions as ancillary to the central government.

This emphasis gains in importance when one considers the second condition of strong decentralisation which involves the matter of state/regional competence. It may be a mistake to insist that decentralisation requires a wide spread of functions to be exercised independently of the central government. It is doubtful whether a modern state can work on such a basis, especially not where the economy is affected. The alternative is to treat decentralisation on a different basis: a division of responsibility rather than of function. Thus the West German model, on some counts a 'weak' form of federalism, divides responsibility between the federation and the Länder: the Länder governments act as the competent agents over large areas of administration. Hence the 'association' of the Länder with the federal authorities, chiefly but not exclusively through the Bundesrat, can be seen as a key feature in ensuring that the shared responsibilities are properly articulated.

The third condition follows from the second: if the state/regional units are to exercise their powers, they must have a bureaucracy equal to the task. It is too early to judge how Italian regional government is likely to fare in this respect, and it may be insufficient to rely on the infrastructure of local government for the purpose. Western Germany was much better placed since, apart from the short experience of National Socialism, the bureaucracy had never been centralised, and at the present time the bulk of public service officials are recruited, trained, and serve

in the individual Länder.[25] The greatest difficulty in decentralisation lies in achieving a balance between central and regional bureaucracies.

The fourth and final condition relates to the financial and fiscal conditions of decentralisation. If the regions are left in a position of financial dependency on the central government, then the real extent of their independence must be limited. Not only is it necessary for regions to have their own sources of revenue, there must also be a harmonisation between regions, achieved 'vertically' from the central government and/or 'horizontally' from one region to another. The Italian regions do not properly fulfil this condition: whilst there is a considerable vertical compensation, a basic weakness is evident: less than ten per cent of their income stems from their own powers of raising revenue. In contrast, the West German system is highly favourable to the Länder, since they have an equal share with the federal government of the 'dynamic' income and corporation taxes as well as a proportion of the 'value-added' sales tax. Furthermore, legislation affecting the distribution of taxation revenue requires the consent of the Bundesrat, so that no long-term erosion is likely.[26]

These four conditions all appear to be necessary if decentralisation is to be strongly based. Others may be added. For instance, it may be held that the regional units should be of a certain minimum size if they are to be viable; on the other hand, it is by no means certain what criteria are best for determining a minimum. The wide disparity in the size, population and economic strength of the German Länder - or for that matter the Swiss cantons or Italian regions - does not seem to be an important handicap. A more important factor may be the nature of a country's party system. Thus there is be a case for arguing that decentralisation is likely to work most satisfactorily if <u>national</u> parties dominate in the regions: their

overarching presence will be a better guarantee of coordination and sensitivity to the needs of the whole country than is the case where regional parties act as a continual brake against desirable adjustment. The benefit of a 'deliberately conceived' decentralisation is that the national party system will be in the driving-seat from the beginning. This integrative effect has clearly been at work in both Italy and West Germany.[27]

Conclusion

It is a far cry from grappling with broad issues of 'crisis' and 'legitimacy' affecting the West European state to detailing conditions of successful decentralisation. Yet there are advantages in seeking a relatively low-key solution. What may be disputed in the account given here is the specification of four - possibly five - conditions of decentralisation which would provide a model for existing centralised states. At the least it can be agreed that a fruitful line of inquiry is promised by a comparative assessment of these and other conditions.

No one would pretend that decentralisation of itself offers a panacea to the problems of the contemporary state, but its relevance to the symptoms of crisis appears well founded, and it accords with the groundswell of current development.[28] As Hayward and Berki conclude, the principal task in Europe is to devise 'new instrumentalities',[29] and it is evident that liberal democracy has sufficient flexibility to meet the challenges as they arise. Supranationalism, corporatism, ungovernability and decentralisation - all taken together a frightening mélange - each separately point to a new conception of the state and its functions.

Notes

1. The analysis here develops themes I examined in 'The Reintegration of the State in Western Europe' in M. Kolinsky (ed.), Divided Loyalties: British Regional Assertion and European Integration, Manchester University Press, 1978.

2. J. Herz, 'Rise and Demise of the Territorial State', in H. Lubasz (ed.), The Development of the Modern State, Macmillan, 1964.

3. The wider dimensions are examined in B. Mennis and K.P. Sauvant, Emerging Forms of Transnational Community, D.C. Heath, 1976.

4. G. Poggi, The Development of the Modern State: A Sociological Introduction, Hutchinson, 1978.

5. For a review of the theory, see A. Cawson, 'Pluralism, Corporatism and the State', Government and Opposition, Spring 1978; also, P.C. Schmitter and G. Lehmbruch (eds), Trends Toward Corporatist Intermediation, Sage Publications, 1979. Lehmbruch sees the possibility of a symbiosis between representative and corporatist institutions in 'liberal corporatism'.

6. In his original formulation of the catch-all party thesis, Otto Kirchheimer did concede the continuing importance of European party traditions: 'The Transformation of the Western European Party Systems' in J. LaPalombara and M. Weiner (eds), Political Parties and Political Development, Princeton University Press, 1966. But there are other reasons also for disputing the trend; see S. Wolinetz, 'The Transformation of Western European Party Systems Revisited', West European Politics, January 1979.

7. The various traditions are examined in W. Paterson and A. Thomas (eds), Social Democratic Parties in Western Europe, Croom Helm, 1977.

8. The traditions and machinery of European bureaucracies is examined in F.F. Ridley (ed.), Government and Administration in Western Europe, Martin Robertson, 1979.

9. For a recent discussion of legitimacy problems, see B. Denitch (ed.), Legitimation of Regimes: International Frameworks for Analysis, Sage Publications, 1979. Several contributions relate directly to the situation in Western Europe.

10. E. Kedourie, Nationalism, Praeger Books, 1961, p.1.

11. For the 1979 election there was a voting participation of 62.2 per cent (as against an average at national elections of 85.1 per cent). A survey held after the election (taken by the European Commission) found that only 44 per cent had any clear idea of what the Parliament is or does and that only 58 per cent took a positive view of the Community. See 'After the European Elections', Government and Opposition, Autumn 1979 (whole issue).

12. An account of the embryonic parties is given by G. and P. Pridham, 'Transnational Parties in the European Communities' in S. Henig (ed.), Political Parties in the European Community, Allen and Unwin/PSI, 1979.

13. See G. Poggi, op. cit. The social-eudaemonic form constitutes a fourth type of legitimacy in addition to Max Weber's three categories: traditional, charismatic and legal-rational.

14. The most inclusive treatment of the phenomenon of 'ungovernability' is W. Hennis et alia, Unregierbarkeit: Studien zu Ihrer Problematisierung, Klett-Cotta, 1979.

15. A current example of the process of erosion is the advice given by the miners' Yorkshire leader, Arthur Scargill, to striking steelworkers, counselling them to ignore a restraining injunction by the Court of Appeal: 'They either accept the decision of three men in wigs sitting in a remote (sic!) part of London or accept the advice and instruction of their trade union. I hope they accept the advice of their trade union, come out on strike, continue to picket, and win their dispute.' The Times 29 January 1980.

16. R. Rose, 'Ungovernability: Is there Fire behind the Smoke?' Political Studies, September 1979.

17. The British crisis has evoked considerable discussion. See R. Rose, op. cit., also: P. Pulzer, 'That Was The Crisis That Was', West European Politics, January 1979; A. King (ed.), Why is Britain Becoming Harder to Govern?, BBC Publications, 1976; T. Nairn, The Break-Up of Britain: Crisis and Neo-Nationalism, New Left Books, 1977; I. Kraminich (ed.), Is Britain Dying?, Cornell University Press, 1979.

18. See M. Anderson, 'The Renaissance of Territorial Minorities in Western Europe', West European Politics, May 1978; also, J. Krejci, 'Ethnic Problems in Europe', in S. Giner and M.S. Archer, Contemporary Europe: Social Structures and Cultural Patterns, Routledge, 1978.

19. The striking example in this connection was the career of 'Demokratis-ierung' in the Federal German Republic which began life in the mid-1960s as a movement aiming at the reform of German society, but soon became indistinguishable from the 'extra-parliamentary opposition' which itself merged with the revolutionary left.

20. Thus M. Hechter's formulation of 'the periphery as an internal colony' in Internal Colonialism, Routledge, 1975.

21. In the Belgian case, the mutual suspicion of Flemings and Walloons can be described in terms of a changing balance, first favouring the French-speaking areas but more recently the Dutch ones. However, the near parity of the two linguistic groups has led to constitutional reforms (agreed in 1971) which would give them substantial regional autonomy. The full implementation of the agreements has, however, been hindered by the difficulty of agreeing a formula to take account of the anomalous position of Brussels, a French-speaking enclave within Flanders.

22. The Spanish reforms which established limited regional autonomy, initially for the Basques and Catalans, were based on historic rights of self-government. The changes were approved by local plebiscites in 1979.

23. The failure to make a general reform is evident in the case of Britain in the years following the publication of the Kilbrandon Report of 1973 (the Royal Commission on the Constitution). What resulted were piecemeal proposals for Scotland and Wales only, and the possibility of creating nine parallel English provinces was quietly discarded. Moreover, as Nevil Johnson comments, 'The attempt made by the Kilbrandon Commission to present proposals for devolution without giving them any serious constitutional foundation was without sense.' In Search of the Constitution: Reflections on State and Society in Britain, Pergamon Press, 1977, p.125.

24. On Italy, see D. Hine in Government and Administration in Western Europe, op. cit., and P. Allum, Italy: Republic Without Government?, Weidenfeld and Nicolson, 1973. A comparative study has been made by S.Tarrow: Between Center and Periphery: Grassroots Politics in France and Italy, Yale Univ. Press, 1977. Although not considered here, the French reforms are of some relevance; see, V. Wright, 'Modernizing Local Government in Britain and France', in L.J. Sharpe, Decentralist Trends in Western Democracies, Sage Publications, 1979.

25. Public service employment at the federal level in West Germany (excluding railways, post and armed forces) is about 300,000. In the Länder it is around 330,000 (excluding police, schools and universities). In addition, there are a further one million public service employees in local government and locally administered social insurance funds.

26. For a brief, lucid account of the Federal-Länder division of powers in taxation and other matters, see D. Southern in Government and Administration in Western Europe, op. cit. The question of 'structures of equalisation' (vertical and horizontal) is considered comparatively in the report of an EEC Study Group, The Role of Public Finance in European Integration, 1977. The comparison gains by including a range of both federal and unitary systems.

27. The tight relationship of the party system and federal structure in West Germany is shown by G. Lehmbruch, 'Party and Federation in Germany', Government and Opposition, Spring 1978. In Italy, the PCI has been able to assert its position in regional government even though denied power at the national level, and more generally Martin Clark concludes that, 'Paradoxically . . . the real importance of the Italian regions lies in the help they may give to the centripetal tendencies of the modern state and the modern economy.' J. Cornford (ed.), The Failure of the State, Croom Helm, 1975, p.73.

28. In particular, see L.J. Sharpe, 'A First Appraisal' in Decentralist Trends in Western Democracies, op. cit. The 'mirror image' of decentralisation - hence to an extent its denial - is found at the supranational level; see B. Burrows, G. Denton and G. Edwards (eds), Federal Solutions to European Issues, Macmillan/The Federal Trust, 1977. Lines of compatibility in the two concepts are indicated in D. Coombes et alia, European Integration, Regional Devolution and National Parliaments, Policy Studies Institute, 1979.

29. J. Hayward and R. Berki (eds), State and Society in Contemporary Europe, Martin Robertson, 1979, p.264.

REGIONALISM IN EUROPE - a draft report

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Regionalism and supra-nationalism are the two most

characteristic symptoms of the difficulties encountered by the modern State

in Western Europe and of the crisis it is undergoing. However, their origins

are not at all similar. Regionalism stems from the nation State's

'objective' inability to adapt to the scale of problems it has to face

today. The increasingly international nature of economic activity, especially

since 1945, has meant that the modern State has been in some sense

superseded. The life of historical European communities and of the political

bodies which they form is to a great extent determined by factors which can

no longer be controlled from within the existing territorial frameworks.

Thus these political bodies have lost some part of their 'autonomy'. And in

order both to regain it and to exercise greater control over the things

which affect the lives of their peoples, they have to create an awareness of

supra-nationalism and take decisions at the supra-national level. In the

case of Western Europe, this has been the historical endeavour of the

European Communities.

The sudden growth of regionalism, on the other hand, is to be

attributed to a quite different cause or, to be more precise, two quite

different causes (1). The first is the modern trend towards functional

regionalisation, whose purpose is essentially economic and social, and whose

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(1) J. BUCHMANN "Regionalisation et fédéralisme" in Le Fédéralisme en Belgique?

pamphlet published by the Société d'Etudes Politiques et Sociales
Brussels Nov. 1968.

basis is the problem of regional planning, the need to distribute development evenly over the whole of the national territory within the context of overall planning for the nation's future. This form of regionalisation implies that different levels of local authority will be set up by delimiting areas of an appropriate size to correspond to each level. The second has to do with the rediscovery of long forgotten or long neglected local differences whose strength derives from traditional motivations of an ethnic, linguistic, cultural and historical kind. Here regionalisation tends to become a political demand for increased autonomy and participation, that is for federalism.

Even though the device of election by universal suffrage ensures the political 'representation' of the region in the national Parliament, this is not enough to guarantee real participation in the working of a modern State. It is also necessary to create a level of authority in one part of that State and to put an end to centralised systems and to central government control of local authorities.

Some specialists reject the idea that the European and the regional dimensions are diametrically opposed, and claim that they are in fact highly complementary.

"They are complementary in three respects. The first is with regard to their origins. The technological revolution and the economic and social transformations that go with it are behind both the creation of large politico-economic units and the present day regional movement. The second is from a strategic point of view, since the integration of the continent appears to render possible as well as necessary a certain degree of regional restructuring in Europe. This, indeed, is the logic of the Community's 'regional policy'. Europe and the regions are natural political allies against the feudal power of the 'sovereign' nation States/as the king and the communes once were. Finally, they are
in much the same way

complementary as far as their ethic is concerned. The nation State, which is too small to carry out certain jobs in modern industrial societies and too large to carry out others, is nowadays challenged on both fronts, while its function as the only viable political framework which reduces all that is beyond its reach to 'diplomacy' and all that is within it to 'administration' is strongly questioned. The centralised, sovereign nation State is the heir to the concepts and problems of the pre-technical era, but it has been incapable of tackling the major objectives of our time, and it is this which has finally cast doubt on the legitimacy of its historical attempt to monopolise politics and to arrogate to itself all powers and rights and the allegiance of individuals and groups" (1).

When looking at the growth of 'regionalism' in Europe it is necessary to distinguish between federal and non-federal States. The federal States have been able to absorb this growth into their political structures. Tensions have occurred but they have not been acute as the example of the Federal Republic of Germany or of Switzerland demonstrates(2). But in almost all the other States with a unitary structure the growth of regionalism has been the cause of tensions and conflicts. This has been the case in Great Britain, Italy, France and Belgium. My purpose is therefore to give a brief description of an experiment in regionalisation within a federal structure, that of the Federal German Republic, and then of a similar experiment within a unitary structure, that of Italy.

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(1) J. BUCHMANN op.cit. p. 20

(2) The creation of a new canton in the Jura did cause some tension, but the problem nevertheless remained confined to one small area.

The latter example is particularly interesting because it concerns what is also an experiment in functional regionalisation. Finally, I shall consider the Belgian example and attempt to draw some conclusions from it.

Regionalisation in the Federal German Republic (1)

After 1945, West Germany was reconstructed with a federal political system which was accepted both by the allies and by the major political parties.

The main idea was to prevent a recurrence of the centralisation of political and economic power as it had existed in the Nazi period. This idea was put into effect both economically and politically.

In the economic field the philosophy was to be that of 'soziale Marktwirtschaft'. This would not mean going back to the kind of capitalism that had previously existed, but the introduction of a system of decentralised economic decision-making regulated by the forces of competition. However, the concept was not that of the free market economy since it was thought that competition would not develop spontaneously but would have to be enforced by legal means and defended as an economic principle. In this respect it was particularly necessary to prevent monopoly integration - hence the act of 1958 which regulated competition and the introduction of further measures in 1973 to limit mergers and take-overs.

Politically, a federal regime was decided on and some commentators called it 'cooperative federalism'.

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(1) My main source of documentation is: The Failure of the State
   ed. James CORNFORD (London: Croom Helm, 1975) and especially the
   chapter by John HOLLOWAY "Decentralisation of power in the Federal
   Republic of Germany".

Within the Federation (Bund) each State (Land) has a constitution of its own which sets out the system of legislative, governmental, administrative and judicial powers.

The Bund has exclusive power to legislate for foreign affairs, defence, the currency and financial affairs, customs, railways, air transport, posts and telecommunications. The Bund and the Länder 'compete' in matters relating to civil and criminal law, industrial and economic legislation, road traffic and so on. In matters such as these the Länder are only competent where the Bund has not made use of its powers. But as the Bund enacted appropriate legislation as early as 1949, the Länder have pursued their legislative activity primarily in those areas where they have exclusive competence, and these include everything not covered elsewhere: culture, education, local government, the police etc. It was also laid down that the Bund could enact outline laws relating to matters such as the press, the environment, regional development and so on.

An important element in regional power is the existence of a second Chamber, the Bundesrat, made up of representatives of the States, which has played an increasingly large part in the passing of national laws. Another fact that must be borne in mind is that the administrative devolution granted to the Länder is much greater than the decentralisation of legislative power.

In general, the Länder have responsibility for enforcing all Federal legislation.

Finally, where financial matters are concerned, the Länder's autonomy is guaranteed by their power to levy their own taxes: income tax, company tax, capital transfer tax, beer tax, wealth tax. The Federation, on the other hand, takes the proceeds from value added tax, customs and excise, monopoly tax and transport tax.

However, the basic law provides that the Federation may if it wishes

claim a part of the revenue from income tax for its own needs, and it also provides for devices to distribute revenue more evenly between rich and poor Länder.

The development of the relations between Bund and Länder, especially since 1960, is fairly typical of the problems posed by economic development in western countries from that date onwards.

What we have in fact seen has been a considerable increase in the activities of central government expressed in an increase in public expenditure on the part of both the Bund and the Länder.

In 1969, under the great CDU-CSU-SPD Coalition, the government passed the famous 'Stabilitätsgesetz' which increased the government's economic powers. This law could only be enacted after the Constitution had been amended so as to give the Federation control over the expenditure of the Länder. Since then, the government has, for example, been able with the Bundesrat's agreement to force the Bund and the Länder to contribute 3% of the yield from their taxes to a reserve fund set up to counter the effects of economic cycles.

The law sets out the aims that economic policies must pursue and establishes 'konzertierte Aktion' in the framework of an Economic Policy Council which makes recommendations. These recommendations now carry considerable weight in political life.

The second important reform was the 1969 Finance Act which took a further step towards controlling the Länder. Not only did it provide for coordination of the medium term planning of the activities of the Länder, but it also established the principle of 'common activities' which would be undertaken by the Bund and the Länder together. This concerned the financing of investment required by modifications in regional structure. Parallel with these developments, there has also been noted a progressive transfer of legislative competence from the Länder to the Federation and an increase

in institutionalised cooperation between the Federation and the Länder.

Finally, various constitutional amendments have gradually made it possible for the Bund to have access to an increased proportion of the yield from taxation.

What can be seen, therefore, is that in the Federal Republic there has been a general trend towards the strengthening of central power since 1950, particularly as a response to the needs of overall economic policy.

This trend has become more pronounced at the same time as economic power in the private sector has become more concentrated. Indeed, this was what made it necessary, in 1973, to modify the 1958 laws regulating competition by introducing some form of control of economic concentration.

There has thus been a parallel development of the control of subordinate public authorities and private economic interests, and this is typical of the development generally encountered in the capitalist part of the advanced industrial world.

REGIONALISATION IN ITALY (1)

Although the Italian constitution of January 1948 gave the regions the power to legislate for certain matters, such as agriculture and public works, it was in fact not until the law dealing with regional finances was passed in May 1970 that some form of regional devolution got under way in Italy.

There are a number of reasons for this. First, the general

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(1)My main source of documentation is CORNFORD op. cit. and especially

the chapter: "Italy, Regionalism and Bureaucratic Reform" by

Martin CLARK.

political climate in the period 1948-50. This was the time of the cold war when, following the exclusion of the Communists and Socialists from government, the Christian Democrats were able to consolidate their influence in the central State. If they had conceded powers to the regions at that time, it would have amounted to them giving up their chance to strengthen their control of the whole of the political apparatus.From then on they thought it preferable to make use of the prefectorial system to exercise control over regional and local authorities which might be in the hands of opposition parties. The Christian Democrats were further encouraged to act in this way by their need to form an alliance with the Liberals who were fierce supporters of a strong central State

A second factor which discouraged regionalisation at this time was the relative failure of the experimental designation of a number of regions with a special autonomous status: the Valle d'Aosta, Sicily, Sardinia, Trentino-Alto-Adige and, from 1963, Friuli-Venezia-Giulia. As early as the beginning of 1948 these regions became autonomous in a far larger number of areas than 'ordinary' regions - local industry, commerce, education, social matters. But their autonomy did not amount to much in practice since the regional assemblies made little use of their power in these areas. Moreover, the administrative power of these regions remained extremely limited in practice and they had very little financial independence.

These and other factors, such as the battle between local 'elites' and recent immigrants for power in the regional assemblies, all worked against the success of regional experiments up to 1970.

But the situation was to change as soon as the law on regional finances was passed in May 1970 since this was what enabled the experiment previded for twenty years earlier in the Constitution to get under way properly.

The elections to the Regional Legislative Councils took place on 7th June 1970. The results contained no surprises despite student demonstrations in 1968 and social unrest in 1969. Indeed, no strong current of popular feeling in favour of regionalism has so far been detectable from these elections. But this could change in the future because of the fact that the offices of regional 'councillor' and of member of the national Parliament are incompatible.

The legislative activity of the regions is subjected to two forms of national control.

If a piece of regional legislation does not receive the approval of the government commissioner in the region it is referred to the Constitutional Court for a final decision on whether it is within the Constitution, or else it is referred to the national Parliament which decides whether it is politically 'acceptable' (what its 'merits' are).

Legislation may be declared unconstitutional if its effects would be felt beyond the borders of the region, if it infringes international obligations, the Constitution, or the basic principles laid down in the laws of the State.

A regional law may also be declared null and void by Parliament if it is against the national interest or that of any other region.

Furthermore, the law on regional finances gives the regions only one seventh of the revenue from taxation (rates and income tax). Most of their revenue is derived from two other sources: the State makes over to the regions half the revenue raised by the road tax on vehicles registered in the region, and a 'common fund' has also been created into which is paid a fixed proportion of the yield from certain indirect taxes which

are collected by the State. This fund redistributes its resources according to a fairly complex set of criteria.

All this indicates that national control remains very strong and that where large tasks are concerned regional finances are not sufficient to develop truly independent policies.

From the administrative point of view the regions have obtained greater responsibility for the areas listed under article 117 of the Constitution, namely regional administration, local and rural police, fairs and markets, social welfare, health care and hospitals, museums and libraries, urban planning, tourism and the hotel industry, roads and public works in the region, waterways, mineral waters and spas, hunting and fishing in inland waterways, agriculture and forests, and local craft industries. The regions' activity in these areas is checked to make sure it is lawful. There is also a provision for the regions to be 'delegated' powers by the central administration in areas other than those listed above.

As a result there are two kinds of regional administration, making use of two different sorts of procedure and having applied to them two different kinds of check by the central authorities.

The job of coordination falls to the Government Commissioner appointed to each region to act as a link between it and the central authorities. He has under him a Commission of Control whose job it is to make sure the region's administrative decisions are legal.

There should also be mentioned the creation of regional administrative tribunals in 1971. They give rulings in cases of dispute between the citizen and the regional administration or between the citizen and the regional offices of government departments. These tribunals are local branches of the Council of State.

In practice, there has not been a tranfer of power in all the areas set out in article 117 of the Constitution. When, for example, there already existed a national agency (especially for tourism, craft

industry and small businesses) that agency remained competent for the country as a whole. In addition all the decrees relating to the transfer of power reaffirmed the State's managerial and coordinating role. On the other hand, in matters such as public health the delegation of administrative tasks to the regions has often been contemplated.

Delegation of this kind is in fact part of a more general process of reform of the whole of the administrative structure of Italy in response to the needs of the economy and of Italian society for more efficient management. One aspect of this reform is the decentralisation of government departments and the reorganisation of ministries in Rome on a functional basis.

III ASPECTS OF REGIONALISM IN BELGIUM

In Belgium the challenging of the present structure of the State has been the major political problem of the last fifteen years. Belgium is transforming itself from a centralised, unitary State into a semi-federal State and is giving a measure of autonomy to new political entities.

I. The Birth of Regionalism

A. Cultural Aspects

Belgian regionalisation is usually considered abroad as an exclusively linguistic problem arising out of the tension between Flemings and Walloons. This is a great over-simplification. The question is in fact much more complicated, and in order to understand it it will be necessary to explain briefly what happened in the past.

The Belgian State was created by a French-speaking, intellectual

bourgeoisie as a unitary and centralised State with one official language (1). The armed forces, the judiciary, education and the civil service, all served to spread French culture and the French language. The Flemish population, which was essentially made up of farmers and small craftsmen, was considered backward and was, in fact, excluded from power in the new State. As the years went by this situation became intolerable for the Flemings. Thanks to a number of different influences, a movement for social and cultural advancement developed in Flanders, especially after 1870, and this gave rise to the Flemish Movement which gradually acquired political aims 'against' those of the French-speaking unitary State. Between the two world wars this Movement's most noteworthy achievements were that the University of Ghent became Flemish and that in 1932 a series of laws was passed confirming the principle of unilingualism in the regions and bilingualism in Brussels.

These achievements meant that Flanders, the part of the country with the largest population, also gradually acquired and intellectual and cultural elite which began to occupy increasingly important, though not yet dominant, positions in public life and in public administration in Belgium.

After 1945 the language question came to a head in Brussels, the capital, where the two linguistic communities exist side by side but where French speakers are very much in the majority. There were also one or two other trouble spots along the linguistic dividing line which became 'permanent' in 1963.

Although Brussels is the national capital, the Flemings have always found integreation in the city difficult (except for work contacts in both the public services and the private sector). Furthermore, town planning policies have not encouraged people to live in the centre

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(1) Even though linguistic freedom was laid down in the Constitution.

of the city, and there have been waves of removals towards the outskirts into 'Flemish territory'. But the French-speaking elites who moved out in this way had no intention of giving up the advantages which speaking French gave them. New tensions were created which led to the 1963 compromise on the 'linguistic facilities' granted to French speakers in six boroughs on the outskirts of the Brussels conurbation. Nevertheless, the tensions have not entirely disappeared, not least because of the foundation of the French Speaking Front in Brussels in 1965, since this is a political force whose demands are essentially linguistic.

By playing on the idea of a Flemish threat, especially the increasing number of Flemings and the decreasing number of French speakers employed in government departments, this political party has taken votes off all the so-called 'traditional' political parties in every election. At the present time its views correspond to those of not far short of 40% of people in Brussels.

The cultural divisions in the country reached a 'peak' in 1968 when a crisis inside the University of Louvain led to a 'scission' within the University and to the French speaking part of it being moved into Walloon territory. The crisis was caused because the Flemish community has started to make new kinds of claims for cultural autonomy.

Finally, the major traditional political parties in Belgium, the Christian Democrats, the Socialists and the Liberals, were unable to resist the pressure of events, and in the following years they also all split into two separate and distinct wings.

These different elements indicate that the cultural aspects of the Flemish Movement are not anti-Walloon but, rather, the expression of a need for autonomy in relation to a State with centralising tendencies in which French speakers predominate. In a later phase this Movement

began to concentrate its attacks against the capital which was theoretically national but was in fact largely dominated by French speakers.

B. Economic Aspects

In the period 1965-70 economic problems began to add a new dimension to the Belgian 'problem'. For the first hundred years of Belgium's existence, the country's main industries and major sources of revenue were to be found in Wallonia (the French speaking region) and the organisations which administered the economy and finances of the country were situated in Brussels. But since the last war it has not been possible to halt the decline of this part of the country because of the age of its industrial machinery, the fact that the birth rate is declining and the population ageing, because the mines have been closed, and stiffer international / competition has hit the traditional industries hard (steel, textiles, paper and so on). It is also true that a climate of industrial unrest has not helped to encourage the creation of new industries. After the end of the 1960s, the economic and financial situation became increasingly favourable for Flanders with the development of the necessary infrastructure (motorways, ports and so on), with an industrial dynamism that continued to increase, and with the arrival of new, in general medium-sized, industries whose output is high.

At the same time Flemings began to be appointed to posts of responsibility in national economic and financial institutions. Flanders' share of the GDP rose from 44.2% to 56.2% between 1958 and 1977, while that of Wallonia fell from 34.2% to 24.7%. This situation caused discontent in the French-speaking areas which in turn gave rise to a desire for economic autonomy in the region. Since the centralised State and the great economic and financial institutions had not been able to carry through the modernisation of industry, some French speakers

argued that it would be preferable to create some form of autonomous government for the Walloons. This does not exactly amount to federalism which is always presented as an extremely drastic solution, but it does mean giving the Walloons the power to solve their own problems in their own way.

But the key question is where the money is going to come from. To what extent are the Flemings going to agree to the transfer of some of their new found wealth, whether the State is unitary or regionalised, to a region where, very often, bureaucracy and a liking for short-term solutions to prop up outdated industries are only too evident?

The Brussels question also has an economic side to it. It is not just a matter of finding a means by which the two languages and the two cultures can exist side by side. There is also the issue of the level at which decisions affecting the economic future of the city will be taken. This in turn involves all the economic activities which are drawn to the capital, the industrial fabric of the region, not to mention the financial problems of the local authorities, the problems of unemployment and the mobility of the labour force. The inhabitants of Brussels have made it known politically that they do not wish to be governed by the French speaking part of the country which is of little interest to them given their own problems. Nor do they wish to be placed under some form of 'joint' Flemish-Walloon local government.

Political circles in Brussels point to the city's special duties and tasks both as the capital of the country and as the headquarters of international organisations, and therefore claim the right to full regional status in political and institutional terms. The Flemish, however, fear that this might lead to the creation of two mainly French speaking regions in Belgium. Hence their reluctance to entertain the idea of regional autonomy for Brussels.

II   Current Trends in the Reform of the State

Is it possible to reconcile the cultural autonomy which the Flemings ask for with the socio-economic autonomy that the Walloons demand, whilst at the same time respecting the role of Brussels as the national capital and recognising that the city has its own economic and social problems? These are the issues tackled in the reform of the State which has now been going on for ten years. The present government (made up of Christian Democrats and Socialists from both linguistic groups) was formed with the intention of reaching a solution to this problem by gradual stages.

The first important stage in the reform of the State dates back to 1970 (1). The Constitution of the country was revised in order to make it possible to institute both cultural autonomy and the existence of regions. Subsequent political debate was to crystallise round this two part reform when the time came to put its broad principles into practice.

Cultural autonomy meant the creation of communities (French, Dutch and German) (2) each with its deliberative assembly that can exercise the power of prescription in the form of decrees that have the same legal status as laws. The Cultural Councils which draw them up are composed of members of the national Parliament (either the lower Chamber or the Senate)

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(1) The most interesting work on the whole problem of the reform of the Belgian State is R. SENELLE (University of Ghent) La réforme de l'Etat Belge Textes & Documents No 319 1979. Ministère des affaires étrangères

(2) The German community does not have the same deliberative powers as the other communities.

Regionalisation meant that some social and economic matters would be dealt with by devolved assemblies and decentralised executives. The Constitution recognised the existence of three regions: Wallonia, Flanders and Brussels.

The word 'region' must be understood in the sense of an area of territory while the term 'community' must be thought of as referring rather to the population defined linguistically.

Describing the new situation, Monsieur Léo Tindemans, who had played an important part in the 1970 reform, said, " ... the country's linguistic dualism has produced a regionalised Belgium. And in the very near future this regionalised Belgium is going to turn into a plurinational State. The cultural communities (Dutch, French and German) will consciously contribute to the building of their future within it. This is, in my view, a new phase in our national history, and Belgium is about to become a new kind of State" (1).

The 1970 reform should somewhat reduce the feeling in each of the two major communities that they have become less important. However, it did not grant an equal degree of autonomy to both. From 1971 onwards the Cultural Councils were able to use decrees to settle cultural questions, to pursue international cultural cooperation, regulate the use of the language and control education, even though they did not have executives responsible to them for such matters. Regionalisation, on the other hand, did not take effect immediately. Regional Economic Councils were created by an act passed in July 1970 which provided for economic decentralisation, but these were only consultative bodies. The act contained, for the first time, a legal definition of Flanders and Wallonia, but did not provide definitions and solutions that were sufficiently

(1) L. TINDEMANS La Belgique régionalisée, passage de l'Etat-nation à l'Etat plurinational in Textes & Documents Nos 286-7, août-sept 1972 (eds. du Ministère des affaires étrangères).

clear to take proper account of Brussels.

The first Tindemans government (Social Christians and Liberals) passed an act of Parliament on 'preliminary regionalisation' in 1974, thereby instituting transitional regionalisation until such time as the two-thirds parliamentary majority required by the Constitution should decide on the permanent measures to be taken under the reform begun in 1970. The idea was to ensure that the reform became a reality. As far as political matters were concerned, it meant a division of responsibilities in areas where different regional policies were justified, in accordance with the Constitution. In this way 'Ministerial Committees for the Regions' were set up inside the national government and Regional Councils made up of senators, independent of the consultative Regional Economic Councils referred to above, were given the right to examine regional affairs directly, though they were not given prescriptive or financial powers. As far as financial questions were concerned, a political agreement was reached to divide the financial support of the State in the regions in accordance with the following objective criteria: the surface area of the region, the revenue from personal taxation, and the size of the population.

Later studies have shown that these criteria were disproportionately favourable to Wallonia since its surface area would always continue to be larger than that of any other region but the pace of its development was not rapid enough to justify its superiority.

The second Tindemans government tried but failed to put through a complete reform with the so-called Egmont Agreement, while the present government, composed of Socialists and Social Christians and which has emerged out of a long political crisis, has proposed overall reform in three phases:

- carrying out a provisional regional reform which would be compatible
with existing constitutional texts.

- adding to the temporary structures and competent authorities thus created
by revising the Constitution and passing organic laws which require an
extraordinary political majority.

- adopting the constitutional and legal measures needed to resolve the
problems poses by three things in particular: the reform of the Senate
(by the creation of a Regional Assembly), the role of the provinces
(decentralising present political powers by sharing them between the State
and the local authorities), the creation of a special Appeal Court (whose
job would especially involve settling conflicts that might arise between
national, regional and local decisions).

In institutional matters, the legal reform of July 1979 meant the
creation of four integrated executives within the national government to
manage, respectively, the French community, the Walloon region, the
Brussels region, and the Dutch region and community. It will immediately
be obvious that Flanders has been treated differently from Wallonia and
Brussels since the Flemish chose to combine 'regional' with 'community'
affairs - a combination which they believe foreshadows a two part,
para-federal system with Brussels becoming a sort of State territory.
The people of Brussels are for the most part opposed to this idea.

What is new in the July 1979 law is that it makes it possible for the
community and regional executives to discuss matters which fall within
their competence in an autonomous way.

As far as the structures and competences of the regions are
concerned, an agreement was reached within the Government in January 1980
after the mini-crisis in December 1979 when the FDF left the Government.
The main points of the agreement were:

1) The three regions are to be directed by a regional council and a
regional executive. The Regional Council is made up of members of the
Lower House and of the Senate who live in the region (the Brussels region
includes the 19 communes in the conurbation). The Regional Executive is
composed of ministers of the national government appointed to it by the
King. These ministers are responsible both to the Regional Council and to
the national Parliament.

2) The regions' competences cover town planning and development, protection
of the environment, hunting and fishing, water supplies, exploitation of
natural resources, regional planning, public industries in the region,
regional aspects of credit management, energy policy, economic expansion
in the region and employment. The Brussels region has more or less the
same competences.

3) The Regional Councils govern in these matters by issuing orders which
can modify national laws. National legislation cannot modify a regional
order, but it can suspend it for six months after promulgation.

4) Within the Government, two executives have been created corresponding to
the Cultural Councils: the Dutch-speaking Community Executive and the
French-speaking Community Executive. The former is the same as the
Regional Executive.

The Government agreement continues in force until 31st December 1984.
If no lasting solution has been found by that date only the Executives
will remain in existence. Moreover, these Executives may, any time after
31st December 1982, 'leave' the government if they wish.

It will also be necessary to find some new means of financing before
that date.

This, then, is the system which will enter into operation in
Belgium in the next few months providing no political incident occurs
to prevent it in the meantime. It is far from being a perfect system.

A major criticism to be made of it is the way the same people serve as both members of the national Parliament, of the Regional Council and of the Cultural Council. Another criticism concerns the responsibility of the Regional and Community Executives which remains within the national government. Finally, the fact that regional orders and national laws are given equivalent status (apart from the right of six-month suspension) could give rise to serious conflicts of interest. But if the reform succeeds in creating the minimum of confidence between the Communities necessary in order to set about more long term reforms, then it will have achieved something considerable.

(Conclusion to follow)

REGIONALISME EN EUROPE, par Jacques Vandamme,
Prof. à la Fac. de Droit de la K.U.L.,
Président du TEPA.

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Conclusion pour l'Allemagne fédérale.

Les nécessités d'une action plus coordonnée de la politique économique
d'ensemble ont donc provoqué en Allemagne fédérale, après 1950, un ren-
forcement de la tendance à la centralisation.

Cette évolution est allée de pair avec le développement de la concentration
économique qui a appelé, en 1973, une modification de la loi sur la concur-
rence pour y introduire le contrôle des fusions et concentrations.

Parallèlement le fédéralisme était de plus en plus conçu comme un moyen de
contrôler le pouvoir politique central tout en préservant la pluralité des
centres de décision (1).

Dans cette perspective on allait assister à un développement de "tâches
communes" entre le Bund et les Länder et des accords de coopération entre
les Länder eux-mêmes.

En aucune manière, cependant, il n'était envisagé de remettre en cause la
structure de base fédérale qui s'est avérée parfaitement apte à absorber
une "poussée" régionaliste finalement assez limitée en République fédérale.

(1) J. DELBRÜCK, From the centralised German "Reich" to the autonomous
        Bundesländer,
    in "Europe of Regions. A conference on regional autonomy : organised
    in Copenhagen in september 1978 by the Danish Institute for Information
    about Denmark and Cultural Cooperation with other Nations".

Conclusion pour l'Italie.

Dans ces conditions il semble exact de dire

"Economic pressures underlying regional policy may also be reinforced by
the pressure to decentralise decision-making and widen participation in
government. The final establishment of twenty regional governments in Italy
in 1970 came about principally in response to this latter kind of influence.

(1) Neil ELDER, The function of the modern State, in State and Society in
        Contemporary Europe. Ed. by JEG Hayward and R.N. Berko,
        Morton Robertson 1979, Oxford.

REGIONALISME EN EUROPE, par Jacques Vandamme,
Prof. à la Fac. de Droit de la K.U.L.,
Président du CEEP.

17.

Conclusions générales.

1. Il résulte de l'exposé qui précède que le phénomène du régionalisme en
Europe repose sur un certain nombre de causes ou circonstances communes,
indépendamment du fait que les formes et modalités du régionalisme sont
différentes dans chaque pays.
Une de ces causes est d'ordre économique et concerne l'aspiration à une
meilleure distribution territoriale des fruits de la croissance économique.
Réalisée le plus fréquemment sans encadrement (ou planification) suffisant,
cette croissance des trente dernières années a privilégié certaines régions
au détriment d'autres. Cette situation est mal acceptée par les régions moins
favorisées dans le contexte des cadres territoriaux nationaux.
"Regional policy has become an increasingly important preoccupation of most
Western European governments in the pas two decades. The primary reason has
been a desire to iron out severe discrepancies in economic development
between different areas within the state and to promote industrial growth
and employment in the backward regions" (1)(ex. South Italy).

2. Il apparait assez nettement de l'expérience allemande (2) que les struc-
tures fédérales ont été particulièrement aptes à absorber la pression région-
nale conçue aussi bien comme un mouvement de base tendant à ré-équilibrer
un centralisme étatique excessif que comme un moyen de réaliser une meil-
leure diffusion de la prospérité et du bien-être.
Les expériences fédérales comportent en effet en général des Fonds d'égalisa-
tion par lesquels s'opèrent des transferts des régions riches aux régions
moins favorisées.
Il est donc exact de dire "a decentralised structure introduced in advance
of active pressure serves to rob potentially disintegrative movements of a
territorial nexus . The second comment is that federal systems are often

(1) Neil ELDER, The function of the modern State, in State and Society in
            Contemporary Europe. Ed. by JES Hoyward and R.N. Berko,
            Martin Robertson, 1979 Oxford.
(2) On pourrait sans doute tirer les mêmes conclusions d'un examen de la
    situation en Suisse.

uncritically regarded as a means of dividing powers, but the "observe" is also true : a sensible territorial dispersion of authority can strenghten the integrative ability of the state" (1).

Quant aux expériences régionales qui se développent en dehors des structures fédérales, il est trop tôt pour tirer des enseignements.

Pour l'Italie, il semble bien que l'expérience constitue indirectement un moyen de stabiliser et de rationaliser un Etat centralisé dont l'efficacité est quelquefois mis en doute.

"The regions may prove a useful innovation. They may be able to act more quickly and competently than the old centralised State administration. Above all, they provide local politicians with an opportunity to inform, influence and take part in the national economic planning process, thus (presumably) making national planning more effective. Paradoxically, therefore, the real importance of the regions lies in the help they may give to the centripetal tendencies of the modern State and of the modern economy. The familiar rhetorical declarations that the regions are 'a dynamic active component of the reform of the State' have more truth in them than listeners often realise"(2).

3. Malgré cette dernière conclusion optimiste en ce qui concerne l'Italie, il apparait que les transformations régionalistes sont loin d'être la panacée pour la solution des problèmes auxquels sont confrontés les Etats-nations de l'Europe occidentale.

Certes le mouvement régionaliste s'explique partiellement comme une réaction d'exacerbation contre le besoin de l'Etat de centraliser toutes les ressources et les forces nationales (3)(sous la pression d'ailleurs des partis politiques, des parlements et des gouvernements qui espèrent ainsi retrouver une certaine cohérence politique face aux 'défis' extérieurs et intérieurs).

(1) Gordon SMITH, The reintegration of the State in Western Europe. From
        Martin Kolinski, ed. Divided Loyalties. British regional
        assertion and European integration. Manchester 1978.
   voir aussi M. Clark p. 73, The failure of the State, Ed. by James Comfor
        Croom Helm London, 1975.
(2) M. Clark p. 73.
(3) Ghita IONESCU, Centrepetal Politics, Government and the new Centres of
        Power. Hart-Davis, MacGibbon, London 1975.

"At the same time, the local and regional interest, dismayed by the lack
of success of the state as a whole, become increasingly inclined to attri-
bute it to perennial incompatibility between national interests and the
affairs of the local communities. Inflamed by the new means of direct deci-
sion-making, they proceeded to make these decisions themselves regardless
of and in opposition to "national policies"(1).

Mais c'est une illusion de croire que cette réaction régionale va, à elle
seule, résoudre les problèmes de base auxquels sont confrontés les Etats
nationaux. Le développement des sociétés industrielles et post-industrielles
a contraint des Etats à réaliser des tâches et fonctions tellement nombreuses
qu'ils n'arrivent plus à en assurer la maitrise et la conduite correctement.
Les deux charges majeures à formuler contre l'Etat-nation contemporain sont
celles de 'l'inadequacy' et de 'l'overextension' (2).

L'inadaptation concerne principalement le contexte extérieur de l'Etat :
la garantie de la sécurité physique et de l'autonomie économique et l'ex-
pression de la solidarité nationale.

La 'surextension' de ces tâches se rapporte à son développement interne lié
essentiellement à sa fonction de gerant d'un bien-être généralisé (3).

Ce phénomène a déjà fait l'objet d'études nombreuses.

Il me semble cependant pas qu'on ait examiné de façon approfondie la question
de savoir quel type de pouvoir ou d'organisation régionale serait à même
d'alléger effectivement les tâches de l'Etat pour le rendre plus efficace
dans la poursuite des fonctions qui en toute hypothèse ne peuvent être dé-
férées au niveau régional.

4. Il reste à savoir quelle sera l'influence de la poussée régionale en
Europe occidentale sur le mouvement d'intégration européen et sur la struc-
ture future de la Communauté européenne .

Il n'est pas contesté que si cette organisation a pour tâche de 'promouvoir
un développement harmonieux des activités économiques dans l'ensemble de la
Communauté'(4), elle doit se doter, comme elle l'a fait depuis 1975, d'un
instrument spécifique de politique régionale.

(1) Ghita IONESCU, op. cit.
(2) G. SMITH, op.cit.
(3) voir notamment la bibliographie en annexe.
(4) Article 2 du Traité CEE.

Mais il n'est pas encore établi et prouvé que cette politique régionale sera vraiment "communautaire" ou ne sera qu'un moyen indirect de renforcer ou d'appuyer les politiques régionales des Etats.

De toute façon l'intégration européenne va avoir des implications importantes sur l'évolution des institutions régionales et nationales.

On ne peut que souscrire à cette pertinente observation de D. COOMBES "There is every reason, to treat European integration as having important implications for the rôle of national and subnational institutions that must be understood and made compatible with our standards of parliamentary democracy if the Community is to be successful according to those standards"[1] C'est également un domaine où la recherche pourrait être poursuivie plus activement.

Quoiqu'il en soit, il semble bien que pour un temps encore assez long et compte tenu de l'évolution récente du 'welfare state', la Communauté européenne se développera à partir de et en collaboration avec les Etats nationaux.

La perspective d'une Europe des régions comme antidote et réponse à l'Etat-nation, idée chère à Denis de Rougemont, ne semble pas pour demain [2].

Dès lors la voie qui s'indique est celle 'to examine whether in theory the European partnership could help to solve the problems of the advanced industrial countries of Western Europe' [3] et comment, en particulier, les Etats européens à travers cette communauté et avec elle, retrouveront les voies de l'indépendance et de l'autonomie.

(1) D. COOMBES, a.o., European integration, regional devolution and national parliaments. PSI Studies in European Politics. London. July 1979.

(2) D. de ROUGEMONT, Lettre ouverte aux européens. Albin Michel. Paris 1970.

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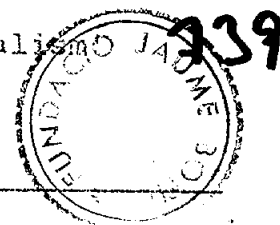
NATIONAL POLITICS AND SUPRANATIONAL INTEGRATION:
CONGRUENCE OR CONFLICT?

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This article expresses simply the personal opionion
of the author.

1. Academic theory and political practice appear to
have turned a complete circle in the context of
European integration. In the fifties and early sixties
most analysts of the European Community (EC) persuasively
argued that the momentum of integration was displacing
the nation state as the fulcrum of political activity.
The empirical record of the EC was impressive and
seemed to substantiate the arguments of the theorists.
By the mid-sixties the seeds of doubt had been sown.
Acute controversy within the EC began to suggest that
governments wanted and could have their cake and eat it.
Member states generated support for intensive cooperation
on many issues, yet national sovereignty had enough
resilience to preserve strong national identities.
Governments stood back from relinquishing authority
to the EC on other issues and were reluctant to extend
the scope of collaboration. The French were alone in
asserting this explicitly as a point of principle.
But the other governments showed case by case their
hesitancy to cooperate except where their national

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interests clearly converged with what the EC collectively embraced. This seemed to vindicate those more sceptical academics who had consistently argued that the EC could never be more than an intergovernmental creation, the servant not the master of its members. (1)

2.   During the seventies this view gained currency as the only viable explanation of the EC. Integration disappeared as the organising concept of the theorists, to be replaced by the more diffuse labels of transnationalism and interdependence. The disarray of the decade, exemplified as the shock of the recession bit, even suggested that the member states were retracting what they had already conceded. Preference for individual national policies was strong. The EC was apparently left as simply one of many international fora for consultation and sporadic coordination. The old policies of the fifties and sixties survived, but were barely adjusted to take account of their changing economic environment.

3.   Yet there were paradoxes. The scope of cooperation was extended to bring in foreign policy consultations in 1970 and the creation of the European Monetary System (EMS) in 1979. The scope of the institutions grew with the enmeshing of heads of government in the European Council and more surprisingly with a strengthened European Parliament that by 1979 was elected by direct suffrage. The membership of the EC was expanded in 1973 and is about to be further increased. The outside observers have stood back in confusion, reluctant to categorise the essence of the Community's character, and uncertain as to whether the eighties would see a revival of creativity or a dilution into a looser association variously labelled as 'two-tier' or 'à la carte!' (2)

4.   In the midst of this confusion, however, a crucial point of methodology has become clear. No balanced analysis of the Community is possible unless it includes a careful assessment of its impact on its component parts. Unless we can understand the response of the member states to their participation we shall fail to come to grips with the elusive phenomenon which is the Community. Regrettably, however, the territory is still not fully charted. A number of studies have been made of particular aspects of the inter-relationship between the member states and the EC.[3] There are some assessments of individual national policies.[4] But their coverage is far from complete and there is no accepted framework for evaluating their findings. Perhaps most striking is the extent to which studies of domestic politics within the individual countries that happen to be members of the EC still neglect the Community (and indeed international obligations in general) as a relevant dimension. Their justification may correctly be that what happens internally still carries the primary importance. However, the reality of economic and security independence nonetheless impinges on domestic policy options and has in consequence a political significance

5.   This leaves three main questions for closer examination:
   1) Is the impact of the EC on its members different in kind from that of other kinds of international cooperation?
   2) What is the nature of the Community's impact on the politics of its members?
   3) What are the factors that determine the way in which member states respond to the EC?

The answers should take us closer to an understanding of the history of the Community and perhaps even to suggesting how it may develop in the future.

6. The first question is the simplest. Both academic research and the political record agree in defining the the Community as _sui generis_.[5] The Community method, derived from the Treaty framework and the operation of independent institutions, ties the member states into an intensity and range of organised cooperation that are unparalleled in other international organisations. Here the theorists, especially the neofunctionalists, were quite right to draw attention to the subtleties of the bargaining process, to the importance of interactions among national elites, to the characteristics of policy cooperation in prescribed sectors, and to the resources that can be mobilised in support of Community goals. A cross-national policy consensus is still difficult to achieve, nor are agreements progressively cumulative or unilinear. Yet the Community system in spite of all of its problems has proved remarkably resilient. It has been capable of generating accord often to the surprise of the participants

7. The consequence is that the EC bites deeply into national policy processes. It sets constraints on national freedom of manoeuvre. It offers opportunities for individual members to mobilise Community resources in support of national policy objectives, most evident in the agricultural sector. It allows member governments to deflect criticism by arguing that the burden of responsibility lies at the Community rather than the national level. The rules of the Community game have become fairly firmly established in a set of norms about legitimate behaviour. Certainly the rules can be manipulated to national advantage depending on the dexterity of the players. But it is rare for the rules to be openly flouted.[6] Moreover it is evident that the nature of bargaining in the EC is essentially political, the politics of

money, of resource allocation, of rule enforcement, of interest articulation and aggregation, all issue areas recognised by the standard works on political science as key attributes of a political system.

8.   Yet the institutional framework remains only part formed. Community institutions have a momentum of their own. The Commission's powers and status may be less than its protagonists would like, but its role in decision-making remains of primary importance. The Court of Justice has established both authority and a capacity for extending the scope of common legislation. The Parliament now holds the elements of democratic accountability and at a minimum has acquired the power to be awkward. But the contortions involved in reaching a consensus in the Council of Ministers illustrate the limitations of the system. There is not the degree of authority or legitimacy within the Community institutions that yet foster an independent form of government. Instead agreement consolidated through a common framework permits shared management of partially common programmes. Thus Community decision-making has extended the government of its members into a new dimension, but without displacing government at the national level. Community government co-exists with national government but cannot be separated from it. It remains dependent on what politics within individual member states will permit. Yet the autonomy of national governments is circumscribed by their obligations to each other and by a shared commitment to preserve the common ground that has been established.

9.   Perhaps most striking is the extent to which particular domestic interests have become vested in the Community enterprise. The overall achievements of common agreement are

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encapsulated in the so-called acquis communautaire, a phrase
which summarises the core of Treaty commitments and common
legislation so far adopted. This collective property is,
however, an amalgam of those individual vested interests -
droits acquis - that governments have successfully woven int
the fabric of a Community consensus. The acquis communautai
not only survives but is reinforced by the concern of its
beneficiaries to ensure that the rewards of Community co-
operation continue to flow. Herein lies the essence of
national interest in the context of Community bargaining.
Community politics like national politics consists of a
framework and a process through which the participants seek
to attain their separate objectives and to conserve the
status and material gains that they regard as appropriate.
The Community is authoritative and legitimate to the extent
that it can balance the needs and interests of its members
within an acceptable package of rewards and burdens. The
Community made rapid progress in the fifties and sixties,
because its founders and their heirs were able to strike and
maintain a compact that contained sufficiently attractive
rewards to cajole its members into accepting some penalties.

10. During the late sixties and the seventies the compact
came under threat. The **initial** core of agreement was limit
in that it was confined to a few priority issues. These wer
originally accepted by members because they converged with
what were then their individual national priorities. But
the economic environment changed, the priorities of individ-
ual governments began to diversify, and enlargement brought
into the Community member states with different views about
the core of the common enterprise. As these shifts occurred
and coincided the seeds of instability were sown. The

/Community

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Community became susceptible to charges of obsolescence, imbalance and inappropriateness in terms of the sum of interests that were relevant to its members. There are elements of obsolescence in the ideological presuppositions of Community philosophy faced with economic recession rather than steady growth. There is imbalance in the continuing emphasis on agriculture and tariffs in a period of industrial retraction and acute energy dependence. There is inappropriateness in the perverseness of the impact of current policies on some member states and in the lack of consensus on measures to foster economic convergence among member states with widely different economic performance (about to be emphasised by a further round of enlargement). There is at the least a question mark over the stress of Community policies on often rather narrow and sectional interests in a period of international political tension.

11. The consequence is that a wedge has been driven among the member states and between different sections of opinion within the member states. The strongest support for the old Community ideal comes from those whose interests are vested in its practical manifestations - notably the farmers and traders who continue to benefit and their advocates inside individual governments. The criticisms and counter-proposals spring from those who see their interests as either neglected or threatened by current EC policies, whether the consumer of food, or the French sheep farmers, or the industry at risk, or the British more generally as they deplore the impact of the EC budget on the UK. This is not to suggest that the Community has relapsed into a narrow forum for the pursuit of material interest. All political systems depend for their stability on their ability to satisfy the material

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needs of their citizens.

12. But it is no accident that the Commission and the
European Parliament have separately reached the conclusion
that some of the old policies must change and new policies
should be developed. Both institutions have the advantage
of irresponsibility that makes it easier for them to escape
the defence of the status quo than is possible for individua[l]
governments that seek re-election. Here the Community is at
a great disadvantage precisely because its policy coverage
remains limited. It does not yet have the resources or
capacity to meet the aggregate interests of all the member
states across the full range of major policy sectors.
Governments can live with this because they retain the
ability to develop separate national policies irrespective
of and sometime in spite of the Community. Indeed in many
cases that range from the narrow technical issues of standar[d]
for lawnmowers to big questions of foreign policy they prefe[r]
to rely on national action because they do not believe that
policy at the EC level is likely to reflect their individual
national objectives.

13. The Community is then a special forum of international
cooperation precisely because its common legislation has
direct policy effects on the member states and because it
offers the opportunity for the pursuit of specific interests
through collective action. But its vigour depends on how
far its common policies command acceptance from and remain
relevant to its clients. A strong element of conditionality
is still attached to the maintenance of momentum within the
Community. As long as the rewards of participation both
tangible and intangible seem to flow then its foundations
remain firm. But they will not necessarily induce support

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for extensions to either the scope or the authority of the
Community vis-à-vis of its member governments. Integration
does not proceed by stealth but by its ability to deliver a
mixture of benefits enticing enough to justify the constrain
on national autonomy that inevitably accompany common polic

THE IMPACT OF THE COMMUNITY ON NATIONAL POLITICS

14. The theoretical literature of the fifties and sixties
did not produce a consensus on the political prerequisites
of supranational integration. Functionalists and neo-
functionalists emphasised the importance for the Community o
attracting the political support of policy-making elites and
economic interest groups in the member states. The transact-
ionalists and intergovernmentalists argued from their
different stand points that the Community would not have
political legitimacy unless and until it commanded the
political loyalty of a wider public. The lessons of experien
suggest that the two are complementary rather than contradic
ory requirements.

15. During the fifties and early sixties the supranational
experiment in Western Europe drew into active collaboration
significant sections of national policy elites. In some
sectors, notably agriculture, it engaged the positive support
of the clientèle of Community policies. The circle of those
involved remained limited, and within this confined network
of national interest groups, officials and politicians rapid
progress occurred in the construction of common policies
that served their collective interests. This joint and elite
enterprise rested on a foundation of popular support. A
permissive consensus throughout the six founder countries
enabled substantial transfers of power to take place from the
national to the Community level. This achievement seemed

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solid enough to generate confidence in the prospect of
gradually extending the model to encompass other sectors too
But this did not happen on a scale commensurate with the
promise of the common agricultural policy or the customs
union. Building blocks have been set in place but both the
design and the construction of other policies remain in-
complete. In order to explain this discontinuity we need to
analyse the character of both the elite interactions and of
the permissive consensus.

16. The neofunctionalists suggested that national elites would bargain with each other in the Community in such a way that Community policies would aggregate their various interests. They borrowed from the functionalists the view that within particular policy sectors a technocratic rationale would bind together policy-makers irrespective of their different national origins. But they refined the argument with the claim that it would be possible to construct packages of advantages that would benefit groups with diverse interests, provided that the Community was active simultaneously in several areas of policy. They recognised that priorities would differ, but believed that they would be compatible within an amalgam of linked agreements. During the fifties and sixties the hypothesis held good. It was helped by a favourable economic environment that produced a steadily expanding cake which broadly allowed a maximisation of benefits at both national and Community levels. It was not challenged by ideological rifts about the role of the state or over economic doctrine. This is not to say that all sections within the member states benefitted materially from Community policies or to deny that there were alternative critiques of the centrist and largely laissez-faire orthodoxy. But these factors did not impinge on the core of the Community compact, nor did they figure prominently in the evaluations by member governments of the assets of EC cooperation.

17. Towards the end of the sixties this began to alter. Once the Community began to grope towards regional and industrial policies it became clear that national economic doctrines were not entirely compatible in respect of either objectives or instruments.(7) The sectional interests concerned were anxious about their competitive position and lacked the confidence in the Community as their protector or disinterested arbiter that had faciliated cooperation in agriculture. There was dissension among policy-makers on the policy options and priorities strikingly different from the congruence of attitudes on the key elements of agricultural policy. The Community was hampered in its efforts to jump from sectoral policies to "global" policies. Economic and monetary union proved unattainable in the

/short to

short to medium term because of the subjective differences
in national philosophies and the objective divergences in
economic performance.[8] While the intensity of interaction
among national policy elites grew it was not accompanied
by a convergence of attitudes and policy. The habit of
consultation became ingrained but it kept the participants
acutely aware of the differences — both subjective and
objective — that separated them. This was reflected in the
growing emphasis on the coordination of national policies
as distinct from their replacement by single and common
policies.

18. As the recession of the seventies accentuated so
national policy-makers recognised their common predicament,
but
yet fell back on the familiar prop of separate national
policies, even while they admitted their limitations. By
the latter part of the decade the trend was marginally
reversed as the EC established the European Monetary System
and some common programmes for industries in crisis. But
their scope was limited, their objectives were modest and
their advocates cautious, a marked contrast with the
optimism, ambition and creativity of the early years of
the EC. These policies had elements of burden-sharing
but without the maximisation of mutual advantage that
had characterised the first phase in the Community's
history. By and large the Community retained its acquis
with the majority of its membership committed to consolida-
ting what had already been agreed. But even among the
more enthusiastic governments the timescale for progress
in other areas was lengthened.

19. This phenomenon reflects not just the changing attitude
of policy-makers within the member governments. It derives
in large measure from a change in the basis of popular
support for the Community experiment. The creation of
the EC was fostered by a broad public acceptance of the
inadequacy of the nation state and of the need for economic
and political reconstruction via the medium of international
even supranational cooperation. This was supplemented by
the belief of significant sectional interests that
Community policies offered positive benefits by comparison
with national policies. Some groups even switched from
antagonism to tolerance of Community interference as they

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their material improvement with the fruits of Community
endeavour. Large segments of the populations of the member
states were barely affected in a direct sense by Community
activities. But as long as economic expansion continued
they were susceptible to persuasion that the mere existence
of the Community had facilitated their welfare gains, even
if the causal relationship could not be incontestably
established. The permissive consensus thus comprised a
mixture of active support by some with passive acceptance
by most of the Community per se. It meant that transfers
of political authority to EC institutions could be inter-
preted as an extension of national sovereignty rather than
a threat to it.

20. But this too changed. Much of the early rationale for
the creation of the EC had diminished in force by the
1970s, perhaps largely because it could be taken for granted.
The danger of civil war in Western Europe seemed to have
been averted. The establishment of international regimes
for economic cooperation had been accomplished, even if they
were subject to strains. The restraints on economic develop-
ment made particular groups more defensive and anxious to
conserve their positions vis-à-vis others both within their
own countries and in others. (10) In those countries which were
undergoing economic strains politics also became more
polarised, with sharp debate over alternative economic
policies that sat uneasily with the middle of the road
consensus that had characterised Community orthodoxy. (11) The
Community context became a framework of competition and
conflict rather than a forum for the pursuit of readily
compatible common interests.

21. The consequence is that Community bargaining is now
more politicised. At the Community level negotiations over
priorities, resource allocation and the instruments of policy
have become more hard fought. It is less easy to reach
agreement on particular policy programmes without a consensus
on objectives and principles. Yet the Community system lacks
the political cohesion that would facilitate a consensus on
fundamental values and choices. This is not to imply that
the process of integration has been reversed, but rather

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to suggest that it is now encountering more crucial and
awkward political dilemmas. Nor is it possible for govern-
ments in Community negotiations to yield ground to their
partners, unless they are confident that they can carry the
support of their domestic opinion.[12] The politics of the
budget illustrate this phenomenon most explicitly, since
revenue raising and the distribution of funds reflect most
tangibly the differential advantages of Community policies
for particular countries and for particular groups. Yet
the allocation of money does not rest on a clear basis
derived from underlying political principles, but rather on
the disjointed pattern of benefit that has emerged somewhat
erratically from a process of policy making that has been
markedly more effective in the agricultural sector than in
other economic sectors. The key issue that surrounds the
current budget controversy is whether the Community will
prove capable of transforming its finances into a pattern
based on commonly shared principles acceptable politically
to all of its members.[13] In parallel there is conflict over
the extent to which the Community level should have primacy
over the national level in determining the content and
modalities of "common" policies. This is reflected in
difficulties over the degree of authority for Community
institutions in managing policies and over the question of
whether Community money should support only common policies
or rather endorse distinct national policies.[14]

22 . The corollary is that within the member states
Community issues have become more strongly politicised.
The vested interests of particular groups, notably the
farmers who benefit from current EC policies, have had an
impact on the distribution of political weight within
national governments. In all of the member states the
political position of the agricultural lobby has been
reinforced by the ability of their sponsors to exploit
Community resources and to deploy leverage based on intra-
Community bargaining. The lack of comparable advantage for
many other sectional groups has begun to be reflected in
pointed criticism of Community priorities, whether from the
consumer of food and the taxpayer who carry the burden of
agricultural finance or from the industrial groups that
identify their material interests with national rather than

/Community policies.

Community policies. In most member states this has added
an edge to domestic political debate which makes the
Community an awkward extra dimension.[15] It complicates
national politics but without destabilising them, as long
as the vested interests of the beneficiaries of EC policies
can be more or less conserved and provided that national
policies can still respond adequately to the needs of other
groups. In the case of the United Kingdom, however, the
position is more complex and even more highly politicised.
Britain suffers from the double disadvantage that the
current balance of Community policies is not congruent
with the material interests of much of its population,
while the scope for compensating domestic policies is
limited by the slender economic resources available for
national programmes.[16] Inevitably therefore the political
and economic value of participation in the Community is
more controversial in Britain than in the other member
states.

23. Two major political implications flow from this.
First, each member government is engaged in Community
negotiations with the object of ensuring that its national
balance sheet contains more credit than debit. The items
included in the calculation include both tangible material
benefits and non-quantifiable economic and poltical
advantage, but a mixture of both is required to sustain a
domestic political consensus favourable to the continuation
and extension of Community cooperation. As economic
circumstances have become less favourable the need to secure
substantive benefits has become more compelling. The
intangible advantages may remain important, but they
cannot provide a substitute. Secondly, the Community is
unlikely to make any great leap forward in policy coopera-
tion unless it can establish a consensus on the issues that
are at the top of the political and economic agendas of the
member states. The problem is that the priority issues
have become both more complex and less tractable than was
the case in the fifties and sixties. The conservation of
industries at risk, the development of new economic
activities, the compensation for regional disadvantage
and the preservation of basic economic resources are all
of central importance. But each requires difficult and

/controversial

controversial choices at the national level. To resolve
them at the Community level depends on an acceptance by
all the member states that the Community framework offers
more than separate national policies. As yet both
governments and their domestic publics lack the confidence
that the Community is politically capable of meeting a
challenge on this scale.

THE DETERMINANTS OF NATIONAL POLICIES

24. National policies on EC issues are determined by a blend
of political and economic factors. They are formulated by
member governments through national policy processes that
modulate and interpret the relative weight of these various
factors. The balance and priorities differ from one member
state to another. In some political and economic factors are
aggregated into a coherent set of national objectives and
policies. In others internal contradictions confuse the
definition of national interest. Two crucial questions
follow: how far are the political and economic determinants
of national policies congruent with the middle ground of the
Community consensus? And how effective are individual
governments in promoting their own definitions of the aims
and instruments of proposed EC policies? Congruence is
supportive of extensions of EC scope and authority, while
incompatibilities generate reservations. Effectiveness or
"success" by governments in rallying a Community-wide consensus
behind their national aspirations depends on variables,
difficult to pin down, that derive from national policy
processes and the skills of national negotiators in exploiting
the Community process.

25. All analysts of the Community have found it difficult to
evaluate the relative weights of economic and political
factors. The functionalists and neofunctionalists emphasised
welfare issues as the most appropriate subject matter for EC
cooperation on the assumption that economic integration once
established would then permit a slide into political integration.
The intergovernmentalists by contrast argued that welfare
issues would remain subordinate to issues of high politics.

/History

History suggests that both approaches distorted. Major
political battles have repeatedly been fought over economic
issues, and indeed the record suggests that fewer and fewer
welfare issues can be insulated from political controversy.
The stuff of Community politics is debate over economic policies
and their implications. National perceptions of the politics
of Community bargaining are rooted in assessments of economic
advantage and disadvantage. Elements of 'pure' politics
barely creep into Community bargaining. Indeed the whole EC
system has camouflaged and suppressed overt political debate
over policy choices and priorities. It is virtually unknown
for Community decisions to be taken by explicit reference to
partisan or ideological political choices of the kind that
characterise domestic politics within the member states

26. The essentially political features of the Community are
still obscured by the technocratic shield behind which both
member governments and Community institutions continue to
shelter. Partisanship is present but in general is defined
as partiality in the cause of distinct national interests.
This is misleading. While all the member states of the EC
have democratic political systems, their governments are not
always representative of the broad span of domestic interests
within their countries. Inevitably governments respond pre-
ferentially to those sections of public opinion that help to
conserve them in office, or to constituencies whose electoral
affiliation may be courted by particular attitudes to EC
proposals.

27. The original Monnet idea of a technocratic conspiracy
served the Community well in its earlier years in the sense
that it provided an alibi for accentuating the Community's
role at the expense of member states. Gradually, however,

/its limitations

its limitations have become apparent. It is inappropriate as a mode for resolving fundamental issues of politics and economics since it can only side step them. National policy processes may and have camouflaged this. This is, however, beginning to change. Bargaining within member states over Community issues is becoming explicitly more political. It is less easily confined within a narrow section of the policy elites, though this still varies from country to country. But increasingly Community issues are being brought into other domestic controversies. This was illustrated by the difficulties of the West German government in implementing the Sixth Directive on Value Added Tax harmonisation. This was achieved late in 1979 only after a political compromise had been reached whether the national territorial application of the legislation should include East Germany. Similarly the issue of Mediterranean enlargement has raised problems for the French Government as it responds to claims for more favourable treatment for farmers in the South West. Community institutions have been slow to accommodate this kind of political bargaining, though both the European Council and the directly elected Parliament are beginning to show its reverberations.

/28. The attached table sets out the range of factors relevant to the determination of national policies towards the EC. Capacity and resources include the basic attributes of the political, administrative and economic systems of the member states. Domestic constraints are the demands on governments and the limitations on their freedom of manoeuvre. They are not peculiar to EC issues, but are as relevant to national management of EC policy as to other areas of national policy. Extra-national constraints are the commitments and the developments that flow either directly from the EC system or

/from

TABLE I

Factors Affecting National Policies

	POLITICAL	ADMINISTRATIVE	ECONOMIC
CAPACITY AND RESOURCES	Stability of régime Cohesion of government Domestic political leadership Public acceptance of EC Agreed procedures for conflict resolution Scope for autonomous national policies	Structure, status & morale Availability of appropriate skills Multi-lateral experience Knowledge of other member states Mechanisms for policy management	Share of EC GNP Share of EC agriculture/trade/industry Rate of economic growth Availability of capital, labour, etc. Strength of currency Contributions to EC budget
DOMESTIC CONSTRAINTS	General political conflict Dissensus over EC Other domestic issues Lobbies on EC issues Parliamentary scrutiny Party considerations	Deployment of personnel Bureaucratic competition Relations between ministers & officials Compatibility of national and EC policies Problems of policy implementation	Rate of inflation Domestic claims on exchequer Domestic economic problems Roles of public & private bodies in economy Compatibility of domestic economy with EC
EXTRA-NATIONAL CONSTRAINTS	Other international commitments Alternative forums to EC Relations with EC partners EC influence on individual careers EC leverage on national politicians	Links with other administrations EC influence on national bargaining power EC influence on careers EC as source of new ideas	Economic interdependence with EC Economic links outside EC Balance of payments Pressure on currency Dependence on imports and exports Migrant labour Foreign investment
GOALS AND STRATEGY	Attitude to EC institutions Attitude to EC policy scope Sectoral objectives National priorities Other international objectives	EC as vehicle for seeking or preventing change Opportunities for coalition formation	Access to EC funds Resource transfers Increased economic opportunities Other international economic aims Protection of national economy

EC = European Community

from the international system more generally. Goals and
strategy include both the formal objectives of national
policies towards the EC and the goals that emerge as a
by-product of other pressures and demands. The table include
illustrative examples under each heading.

29. The key purpose of the table is to identify the range
and complexity of factors that influence national policy
towards the EC. Unless all three strands - political,
administrative and economic - are incorporated and inter-
related any analysis is likely to be incomplete and super-
ficial. The table provides a set of yardsticks, from which
distinct national profiles can be empirically deduced. The
congruence between national economic and political factors on
the one hand and current Community policies is very high in
some cases, for example the Netherlands and Ireland. The
governments of such countries can thus readily adopt stances
that favour further 'integration' while at the same time they
are confident that by and large increased EC activity is
likely to coincide with their assessment of their national
interests. At the other end of the spectrum there is a
dissonance between current Community policies and the economic
and political interests sought by the UK. This makes govern-
ment policy more circumspect and public attitudes more cautious
In between are the examples of France and Denmark where there
is congruence on some issues and conflict on others. This
leads to the paradox that the governments of these two
countries are among the Community's staunchest and most
orthodox supporters on some issues, while they resist Community
interference with equal vigour on issues where their domestic
definitions of interest diverge sharply from the prevalent
view of the Community as a collectivity. This demonstrates

/how

how closely progress in EC bargaining depends on the deep-
rooted political and economic concerns of the member states.

30. The administrative or intra-governmental ~~molecux~~ repres-
ents the scope of the policy elites of the member states for
articulating national policies between the two levels -
national and Community. National policy-makers have the
opportunity to leaven, mediate and exploit as they interpret
their own countries' to the Community and their partners and
interpret the latter back to their own domestic audiences.
Some do this with more skill and panache than others for
reasons of history, confidence and political status. Some are
more permeable to Community influence than others. The
record of EC agreements over the years demonstrates the
differential abilities of member governments to achieve their
own policy goals and to exercise leadership within the
Community as a whole. A broad distinction can be drawn between
those governments that have pursued active and innovative
policies towards the EC and those that have adopted reactive
and often defensive approaches. However this distinction
does not entirely coincide with the division between the
congruent and the non-congruent. The examples of France and
Germany illustrate this. The French Government, the economic
and political interests of which were not readily compatible
with the obvious Community consensus, succeeded by an active
and assertive policy in forging congruence out of a
potential clash of interest. By contrast German governments,
whose material and political interests closely coincided with
the central elements of EC consensus, have until recently
preferred to ride with rather than shape positively the
prevalent middle ground of the Community.

31.　Two main conclusions flow from this analysis.　First,
the establishment and maintenance of a Community consensus
depends on its congruence with the political and economic
interests of its members.　The achievement of congruence
has become more difficult as the policy issues at stake
have become more intractable.　Two rounds of enlargement
have complicated this further by introducing members some
of whose interests do not easily coincide with the core of
the compact originally struck among the Six.　The possible
emergence of a two tier or à la carte Community will be a
function of how far the Community collectively proves
capable of aggregating diverse and sometimes conflicting
political and economic interests within a band of common
policies.　Secondly, Community issues have become more
controversial and have penetrated deeply within the member
states, precisely because of their political and economic
ramifications.　Proposals for new Community policies or
changes in current policies require not just the acceptance
of member governments, but the active consent of both
sectional groups and domestic public opinion more broadly.
Since EC negotations still depend primarily on bargaining
among member governments, the shaping of public attitudes
is still largely dependent on cues from individual
governments to their own constituents.　The scope for
Community institutions to act directly on the political
fabric of the member states remains limited, though the
directly-elected Parliament may change this.　Governments,
therefore, retain a major role in reading and influencing
domestic opinion and in formulating policy to take account
of it.　But they cannot control their own electorates.
Faced with the choice between bending to the Community and
bending to domestic opinions, governments continue to
respond first and foremost to the pull of their own constituents

NOTES

1.   See Carole Webb, "Variations on a Theoretical Theme", in H Wallace
W. Wallace and C Webb, Policy Making in the European Communities
John Wiley & Sons, London, 1977.

2.   See Ralf Dahrendorf, "A Third Europe?"   , 3rd Monnet
Lecture, European University Institute, Florence, 1979, and Michael
Hodges, "The Legacy of the Treaty of Rome: a Community of Equals?",
World Today, June 1979. For a different approach see John Pinder,
"Integrating Divergent Economies: The Extranational Method," Inter-
national Affairs, October 1979.

3.   See for example C Sasse et al, Decision-Making in the European
Communities, Praeger. New York, 1977, V Herman and R van Schendelen,
The European Parliament and National Parliaments, Saxon House,
Farnborough, 1979, and C Hull and R A W Rhodes, Intergovernmental
Relations in the European Community, Saxon House, Farnborough, 1977

4.   These include J Rideau, La France et Les Communautés Européennes,
LGDJ, Paris, 1975, D Coombes, The British People;their voice in
Europe, Saxon House, Farnborough, 1977, P Vannicelli, Italy, NATO
and the European Community, Harvard Studies in International Affairs,
Cambridge, Mass, 1974.

5.   For a summary see Carole Webb, op.cit. esp. pp.13-15.

6.   The French Government's attitude to the judgment of the European
Court of Justice on sheepmeat during autumn 1979 is an unusual
example.

7.   See Wallace, Wallace and Webb, op.cit. chapter 3, 5 and 6 on
economic, industrial and regional policies respectively.

8.   See Michael Hodges (ed) Economic Divergence in the European
Community, Allen and Unwin, forthcoming, and Loukas Tsoukalis,
The Politics and Economics of European Monetary Integration, Allen
and Unwin, London, 1977.

9.   See for example the change in the attitudes of French industrialists
from strong opposition to the ECSC in 1950/1 to recognition of its benefits and
support for further integration. F. Roy Willis, France, Germany and the New Europe,
Oxford University Press, London, 2nd.ed., 1968, pp.94-8 and 232-4.
10.   In some instances such as textiles the defensiveness was
collectivised through Community participation in the Multi-Fibre
Agreement.   But in many others from shipbuilding to motor cars
the emphasis was on maintaining a position within a national context.

11.   This was foreshadowed in France in the late sixties and emerged
in Britain during the mid-seventies.

12.   This in large part explains the failure of the Community to reform the CAP given its continuing importance for agricultural voters and those who identify with them and their relevance to coalition formation in some member states.

13.   For a fuller analysis see Helen Wallace, Budgetary Politics: The Finances of the European Community, Allen and Unwin, London, Summer 1980.

14.   This is most evident in the central areas of economic policy, and illustrated by the difficulties of the EC in establishing industrial, regional and energy policies. See Wallace, Wallace and Webb, op cit. Chapters 5, 6 and 7.

15.   Most evident so far in Britain, and on some issues in Denmark and France, but increasingly emerging in other member states as well.

16.   See William Wallace (ed), Britain in Europe, Heinemann, London, Summer 1980.

FEDERALISM, REGIONALISM AND SUPRA-NATIONAL INTEGRATION

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FEDERALISM, REGIONALISM AND SUPRA-NATIONAL INTEGRATION

INTRODUCTION

Writing in 1939, Harold Laski, in an article entitled "The Obsolescence of Federalism", declared: "I infer in a word that the epoch of federalism is over".[1] Federal government in its traditional form, with its compartmenting of functions, rigidity, legalism and conservatism was, he argued, incapable of coping with giant capitalism and the demands for large-scale government action. Even K.C. Wheare, much more sympathetic to the potentialities of federal government, conceded in the preface and conclusion to the first edition of his study, Federal Government, in 1945, that under the pressures of economic and international crises the trend appeared to be towards a concentration of central powers incompatible with the federal principle. Yet, the last 35 years have seen the proliferation of federal experiments in Europe, Africa, Asia and South and North America, many of them multi-national in composition.

Contrary to the earlier expectations, the experience of both developed and developing nation-states indicates that modern developments in transportation, social communications, technology and industrial organization have produced pressures not only for larger states but also for smaller ones. Thus, as Clifford Geertz has pointed out, there have developed "two powerful, thoroughly interdependent, yet distinct and often actually opposed motives"[2]:

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[1] H.J. Laski, "The Obsolescence of Federalism", The New Republic, xcviii (1939), p.367

[2] Clifford Gaertz, ed., Old Societies and New States: The Quest for Modernity in Asia and Africa (1963), p. 108, quoted by R.J. Jackson and M.B. Stein, Issues in Comparative Politics (1971), p. 119.

the desire to build an efficient and dynamic modern state, and the
search for identity. The former is generated by the goals and
values shared by most Western and non-Western societies today:
a desire for progress, a rising standard of living, social justice
and influence in the world arena and by a growing awareness of world-
wide interdependence in an era whose advanced technology makes
both mass destruction and mass construction possible.[3] The latter
arises from the desire for smaller self-governing political units
more responsive to the individual citizen and the desire to give
expression to primary group attachments - religious connections,
linguistic and cultural ties, historical traditions and social
practices - which provide the distinctive basis for a community's
sense of identity and yearning for self-determination .

The latter half of the twentieth century has seen these
two forces in tension producing contradictory political trends in
the direction of integration and disintegration. The same period
which saw the establishment of supra-national associations and
organizations such as the European Economic Community, the Andrean
Development Corporation, the East African Common Market, the
Organization of American States, the North Atlantic Treaty Organization,
the Warsaw Pact, the Cominform and the United Nations, also saw
the establishment of numerous small states to such a degree that
Ivo Duchachek has referred to the late 1960s as a period "not
only of miniskirts but also of ministates".[4] The increasing number
of microstates whose viability is often rightly in doubt gives
evidence of the strength of the desires, particularly in former
colonial areas, to go it alone. Furthermore, ferment over such

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[3] Ivo Duchachek, Comparative Federalism: The Territorial Dimension of
Politics (1970), p.2.
[4] Ibid, p. 59.

issues in recent decades has not been confined to developing

countries or to federations: there have been separatist movements

in such countries as Spain and France and pressures for devolution

of functions to regional units in such countries as Italy and Britain.

Given these dual pressures throughout the world for larger

political units desirable for certain purposes such as economic

development and improved security and for smaller political units

desirable to ensure sensitivity to the electorate and to give

expression to local distinctiveness, it is not surprising that

the federal solution should have an appeal. It provides a technique

of political organization which enables action by a common government

for certain specified shared purposes together with autonomous action

by regional units of government for other purposes which relate to

maintaining the regional distinctiveness. Indeed, taking account of

such federal and quasi-federal examples as Canada, the United

States, Mexico, Brazil, Venezuela, Argentina, Austria, the Federal

Republic of Germany, Switzerland, Yugoslavia, Czechoslovakia, the

U.S.S.R., Australia, India, Malaysia and Nigeria, one writer has

calculated that more than a billion people in the world today live

in countries which can be considered or claim to be federal.[5] Further-

more, many of them are clearly multi-national in their composition.

This suggests that perhaps the federal system of government has

the advantage of allowing a close approximation to the multi-

national reality of the contemporary world by reconciling the need

for large scale political organization with the recognition and

protection of ethnic, linguistic or historical diversity.

[5] Gilles Lalande (transl. J. La Pierre) In defence of federalism:
the View from Quebec (1978), pp. 11-12. See also
Duchachek, op. cit., pp. 195-8.

Yet, experience since 1945 also makes it clear that federalism is not the panacea that many have imagined it to be. A number of post-war federal experiments have been abandoned or temporarily suspended.[6] The secession of Bangladesh from Pakistan, the separation of Singapore from Malaysia, the Nigerian civil war, the dissolution of the Federation of the West Indies and of the Federation of Rhodesia and Nyasaland are examples. Even in such classical federations as the United States (1789), Switzerland (1848 and 1874), Canada (1867) and Australia (1901) which stand out among the over 100 independent countries of this world for the longevity of their constitutions, the tension between the responsibilities appropriately concentrated at the central level of government and the degree of responsibility and autonomy left with the component regional governments continues to be a lively issue as the pressures for both inter-regional integration and for regional self-expression have both been intensified by conditions in the contemporary world. The degree to which federal systems may be expected to accommodate or resolve these pressures, therefore, bears examination.

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[6] See R.L. Watts, "Survival or Disintegration" in R. Simeon, ed., Must Canada Fail (1977), pp. 42-60 and T.M. Franck and others, Why Federations Fail (1968).

Catalysts of Political Integration

"Integration" refers to the condition of making whole or
complete and to the process of bringing together parts. Political
integration is the uniting of distinct groups, communities or regions
into a workable and viable political organization. As Jackson and
Stein point out, if confusion is to be avoided, political integra-
tion must be distinguished from the concepts of national integration,
economic integration and social integration each of which may con-
tribute to political integration but is itself distinct.[7] The
concept of national integration refers to the process or condition
of uniting the parts of a nation, that community living within a
territory which shares a common history, set of symbols and subjective
feelings which bind its members to one another. Political integration
may be co-terminous with national integration in the case of the
nation-state, but it may be limited to a smaller sub-national unit
or take the form of a wider multi-national political organization.
Economic integration refers to the closer linking together of
economies in a free trade area, a common market or an economic union
but the degree to which economic integration involves the creation
of integrative political organs may vary. Social integration too
must be distinguished from political integration. Social integra-
tion refers to the process or condition of interrelating social
institutions, such as family and kinship systems, the systems of
voluntary associations and all the other aspects of a society including
its economic and political institutions so that they operate in a

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[7] Jackson and Stein, op. cit., pp. 114-5.

cohesive and interdependent fashion. Political integration
refers to the process of unifying political institutions into a
cohesive whole over time or a condition of political cohesion.

It should be noted that, defined in this way, political
integration must also be differentiated from federation. Federation
represents a particular form of political integration, one in
which the components are brought together in a particular kind of
political union, namely one in which there are at least two autono-
mous but interdependent orders of government, central and regional,
neither subordinate to the other. The relationship of federalism
to political integration is a two-way one requiring an analysis
of the degree of prior political integration necessary before an
effective federal system can be established and the extent to which
a federal system in turn can foster and facilitate continued or more
effective political integration.

The analysis of the factors contributing to political
integration in a given case would require an examination of:
(1) the background conditions, including (a) the degree of spill-
over from pre-existing national, economic and social links or
integration among the components, (b) the proximity of the components,
(c) the relative size and bargaining power of the component units, and
(d) the complementarity of their elites; (2) the strength of the
integrative motives present including (a) desires for security
from external or internal threats (b) the desires for utilitarian

or economic benefits, and (c) the desires for a common identity;
(3) the character of the integrative process itself in terms of
(a) the character of the bargaining process, (b) the role of the
leading elites, and (c) the timing and sequence of steps in the
process of negotiation and unification.[8]

Catalysts of Regionalism

While the strongest catalyst for political integration
into supra-national political units during the latter half of the
Twentieth Century has been the growing awareness of increasing
worldwide interdependence in an era when advances in technology
and communications have made it difficult for even nation-states to
be self-sufficient economically or to defend of their own security,
it is paradoxically this awareness which has also encouraged a stronger
regional consciousness within political systems. The growth of larger
and more remote political structures, coupled with the increasing
pervasiveness of large governmental structures and bureaucracies
upon the life of citizens has provoked a counter-reaction. In
the name of the group as well as individual autonomy people increasingly
protest against big government vast bureaucracies, over-taxation
and over-regulation, mammoth unions, excessively large multi-
versities,vast impersonal cities and giant places of work. This
seems to express a broadly felt need for deconcentration of
institutional and impersonal power and more effective individual
and group participation in the exercise of political powers.

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[8] For interesting analytical frameworks for the study of unification
see A. Etgioni, Political Unification (1964), J.S. Nye,
International Regionalism (1968), pp. 333-349, and P.E.
Jacob and J.V. Toscano, The Integration of Political
Communities (1964) pp. 1-45.

In the words of Arthur Macmahon: "Modern Man is oppressed by the
sense of heavy organization and distant controls; he longs to resolve
things into comprehensible and manageable portions."[9]

The heightened resistance to political integration and
demand for self-expression, dignity and self-rule has been parti-
cularly virile where regional groups have been marked by differences
of language, race, religion, social structure and cultural tradition.
As in Canada so in Switzerland, India, Pakistan, Malaysia, Nigeria
and Rhodesia and Nyasaland, linguistic religious and racial
minorities who have feared discrimination at the hands of numerical
majorities have insisted upon a secure regional autonomy as a way
to preserve their distinct identity. Where that distinctiveness
has appeared threatened such regional groups have often turned
to advocating secession as the only defence against assimilation.
Examples are the insistence of the Muslims on the Indian continent
upon partition and the creation of Pakistan in 1947, the pressure
by Bengali-speaking East Pakistanis for greater autonomy and
eventually for an independent Bangladesh, the resentment of the
Singapore Chinese at their second-class status in a Malaysia ruled
by Malays, which provoked the separation of Singapore in 1965, and the
attempted secession of Eastern Nigeria to become Biafra.

Linguistic identity has been a particularly potent force
for regionalism. This is not surprising for language differences
provide barriers to communication. Moreover, a shared language
provides a means of expression and communion, which is a most

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[9] Arthur W. Macmahon, Federalism: Mature and Emergent (1955) p. 32

important ingredient in one's awareness of a social identity and a treasured heritage of a common past. Not surprisingly, any community governed through a language other than its own has usually felt disenfranchised. Significantly, linguistic regionalism has been a greater problem in societies that are industrial or are in the process of modernization by comparison with primitive agrarian societies because in the former official recognition of a language substantially affects careers and employment opportunities. Where different linguistic groups exist within a state it would appear that conflict is particularly severe when members of different language groups are under unequal pressures to learn the languages of the others and when the direction or intensity of pressures to learn the language of the other group and groups is changing.[10]

Other cultural factors can also be divisive. In Switzerland, for example, political divisions have as often followed confessional as linguistic lines and in Ireland ostensibly religious divisions have been explosive. Generally, pressures for regionalism have been strongest where differences of language, race, religion and social institutions have reinforced rather than cut across each other, or where they have been associated with economic subordination. In Switzerland, where the division between Protestants and Catholics has cut across linguistic lines, cantonal alignments on political questions have tended to vary according to whether linguistic or religious considerations were at issue, and consequently cantonal alignments have been less polarized than that between French and

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[10] Based on a study of linguistic problems in Switzerland, Czechoslovakia, Alsace-Lorraine and North Schleswig by Walter B. Simon quoted by Duchachek, op. cit.,p. 308.

English-speaking Canadians.

Among other factors contributing to the intensity of regional consciousness within the contemporary world have been regional differences in degree of modernization. These tend to create within those regions that have lagged behind resentment and fears of exploitation and domination by the more advanced regions,[11] regional differences in political ideology, outlook or style,[12] and regional differences in economic interests. Even though differences in regional products may contribute towards the exchange of products across regional boundaries, they may at the same time foster regional consciousness because of related differences in problems of production, types of exports, sources of foreign capital and appropriate policies for the promotion of economic development. This tendency can be observed in the recent history of Pakistan and Malaysia as well as Canada. Furthermore, although a political union may bring economic gains to the union as a whole, economic integration may have not only "trade-creation" but "trade-diversion" effects which impose hardships and inequalities on some regions. As experience in older federations like Canada and Australia and in newer ones like Nigeria and Pakistan has shown regional disparities in wealth can be one of the most politically explosive forces, particularly when they coincide with linguistic and cultural cleavages. Indeed, many ostensibly linguistic, racial, or cultural movements for greater regional autonomy or even political separation in countries such as Canada, India, Malaysia and Nigeria have had strong economic

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[11] This was a factor in prepartition India and in Northern Nigeria and contributed to the "Quiet Revolution" in Quebec.

[12] Malaysia, Nigeria and Pakistan have presented obvious examples among the newer federations and to some extent this has been a factor too in Canada

undercurrents related to the struggle for jobs and economic oppor-
tunities.

Another form of disparity, unequal ability to influence
central politics, has also often been an important factor contri-
buting to resentment and heightened regional consciousness. In
Canada the distrust of central Canada in the western and Atlantic
provinces and of Ontario by Quebec has been a fact of Canadian
history and is a major current source of political friction.
Such forces contributed to the disintegration of the West Indies
Federation and to the splitting up or amalgamation of regional units
in order to provide a better political balance in both Nigeria and
Pakistan.

Nor should one neglect the impact upon regional consciousnes:
of direct or indirect external influences. The interventions of
President de Gaulle in support of Quebec, Biafra and the Jura in
Switzerland are examples of the impact that direct encouragement of
a regional separatist movement by a foreign government can have.
Foreign examples and precedents, particularly the march to political
independence and full membership in the United Nations of a large
number of relatively small former colonial territories within the last
two decades has itself provided encouragement to regional groups
by indicating that ministates can survive on the world scene.
For example, while there may be some question about the real meaning
of political or economic independence in many of these countries,
the fact that in Africa alone there are some twenty-five independent
states each with a population less than that of Quebec has not been

lost on that province.

This discussion of the catalysts of regionalism suggests that if regionalism is to be understood it must be examined not only in terms of the absence of factors encouraging political integration, but also in terms of those factors which encourage a regional consciousness. The analysis of the factors contributing to regional consciousness in a given case would appear to require an examination of: (1) the background conditions including (a) the relative weakness of background conditions encouraging political integration, (b) the degree to which the particular region itself is internally homogeneous in terms of language, religion, race and culture, (c) the degree to which the particular region differs from neighbouring regions in terms of language, religion, race and culture, level of modernization and development and political ideology or outlook, (d) the degree of disparity in relative wealth and in influence within existing shared political institutions and (e) the competitiveness of their elites; (2) the strength of the immediate motives for regionalism including (a) the desire to secure the distinctive features of the regional society against threats of assimilation, (b) the desire for preserving or enhancing utilitarian or economic benefits for the regional group and (c) the desire for a sense of regional identity or even nationhood; (3) the character of the process of devolution or separation in terms of (a) the character of the negotiating process (e.g. use of referenda, elections, guerilla campaigns etc.), (b) the role of the leading regional elites, (c) the responses of associated regions, (d) the impact of direct and

indirect external influences, and (e) the timing and sequence of steps in the process of devolution or separation.

The Balance of Pressures

Because people are simultaneously members of and feel loyalty to several groups and communities such as family, work group, professional association, church, ethnic or linguistic community, political movement, village or city, regional community, nation, supra-national association or global community, allegiance is usually dispersed among these groups rather than focussed on one of them to the exclusion of the others. People's attachment to these different groups or communities varies in intensity and over time, and therefore these loyalties may co-exist. Thus, it is possible that in some instances a strong wider integrative consciousness may co-exist with an equally strong regional consciousness[13] or that in some others both forces may be relatively weak.

Where one of these pressures is overwhelmingly strong and the other weak the result is likely to be relatively peaceful integration or disintegration. But more often where both forces exist in something approaching a relative balance there is bound to be competition for people's loyalties and conflict. Thus, supra-national movements and institutions seek to gain support by their opposition to existing national divisions and national states often seek to submerge regional interests in the wider national interest. Similarly regional movements usually seek to gain support
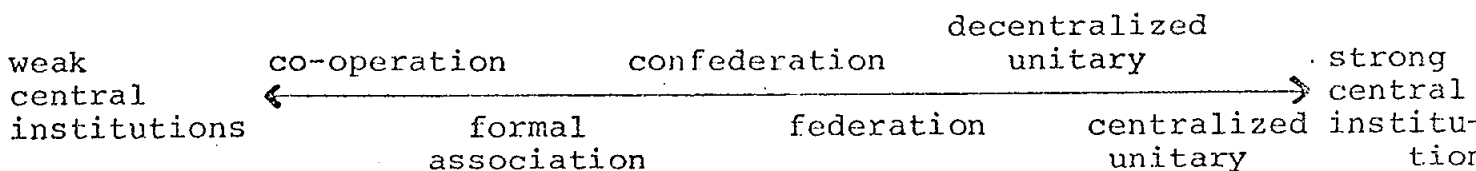
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[13] Note the counter-separatist slogan of the Quebec Liberal Party: "We choose Quebec AND Canada".

by their opposition to existing or proposed political unions or
associations. The establishment of large centralized empires or
unitary states on the one hand or of completely sovereign mini-
states on the other assumes that wider political integration and
regional self-expression are inevitably incompatible and in conflict.
Movements to establish or experiment with federal or confederal
unions, on the other hand, represent efforts to achieve a closer
political approximation to the reality of the contemporary world
in which pressures for wider political integration and for regional
diversity co-exist both with increasing intensity.

The Federal and Confederal Alternatives

The desire to create political institutions that would
express and facilitate the reconciliation of the demands for both
wider political integration and regional diversity, for unity without
uniformity and diversity without anarchy, has led to a variety of
federal and confederal proposals and experiments. In the spectrum
of forms of political integration they fall midway between the extremes
of sovereign independent political units co-operating with each
other at one end and of unitary unions with all legal and political
sovereignty confided exclusively in a central government at the other.

SPECTRUM OF FORMS OF POLITICAL INTEGRATION

weak central institutions	co-operation	confederation	decentralized unitary	strong central institu-
	formal association	federation	centralized unitary	tion

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The federal and confederal forms of political integration both represent compromises which attempt to link political units together in such a way that some governmental powers and functions are assigned to a large unit and others are retained by smaller constituent units. In common language the terms "federation" and "confederation" are often used interchangeably. Indeed, the establishment of a federal system by the British North America Act, 1867, is regularly referred to by Canadians as "Confederation", and the Swiss Constitution of 1874 is specifically entitled "The federal constitution of the Swiss Confederation". Nevertheless, scholars have usually distinguished these as two significantly different forms. In the federal form as usually defined, the central and regional governments each possess autonomous authority assigned by a formal constitution so that neither order of government is legally or politically subordinate to the other and each order of government is elected by and directly acts upon the electorate. A confederal political system is usually defined as one in which the central government derives its original authority from the constituent regional governments and is, therefore, legally and politically subordinate to them and in which the institutions are composed predominantly of delegates appointed by the constituent regional governments. An economic association, when it has common organizing institutions, as in the case of the European Economic Community, is in political terms a form of confederal organization in which the functions assigned by the participating states to the common institutions are limited mainly to economic co-operation and co-ordination.

The Parti-Québécois proposal for sovereignty-association also clearly belongs in this category.

In distinguishing the alternative forms in the spectrum of political integration three further points should be noted. First, within each of the categories a wide range of variations is possible. Unitary systems may be administratively and politically centralized or decentralized. Among federal systems the allocation of responsibilities to each order of government and the structure of central institutions may vary. Confederations too may differ in the powers assigned to the central agencies and the degree of control exercised over these central agencies by the member states. Economic associations may take the form of free trade areas, customs unions, common markets, monetary unions or economic unions. Co-operation among independent states may be informal or involve treaties and may be limited or extensive.

Secondly, although the categories are distinct, they tend like colours in the spectrum to shade into each other, decentralized unitary systems bearing some similarities to centralized federal systems, decentralized federations to centralized confederations and decentralized confederations to treaty alliances or associations.

Thirdly, pragmatic statesmen and nation-builders, unconcerned with the niceties of theories and more interested in the pragmatic value of institutions, have sometimes attempted "mixed solutions" or hybrids combining elements from different forms within a single political system. Indeed, a case in point is the British North America Act which has been described by K.C. Wheare as

"quasi-federal" because the central powers of reservation and dis-
allowance of provincial legislation (for some time now unused)
represent features characteristic of unitary systems.[14] Since
dividing lines between these forms of political integration cannot
always be drawn precisely, it may sometimes be necessary to describe
an individual political system as "predominently federal","pre-
dominantly confederal" or "predominently unitary" as the case may be.

Both the confederal and federal forms of political
organization attempt to express and facilitate the concurrent demands
for wider political integration and for autonomous regional diversity
by establishing two orders of government. They attempt to do this
in such a way that those functions on which there is general common
agreement are performed by the common central agencies and other
functions on which there is no such inter-regional agreement are
performed by the smaller autonomous regional units. It has been
argued that this maximizes citizen satisfaction (or in its negative
formulation: minimizes citizen frustration) by making possible the
satisfaction of specific individual preferences by the particular
level of government with the scale appropriate for satisfying
that preference.[15] It has also been argued that by making possible
autonomous diversity at the regional level these forms of political
integration reduce the extent of conflict and contention likely
to occur at the centre.

The difference between the federal and confederal forms

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[14] K.C. Wheare, Federal Government (4th Ed., 1963), pp. 18-19.
[15] J.R. Pennock, "Federal and Unitary Government - Disharmony and
        Frustration", Behavioural Science, IV (2), April 1959,
        pp. 147-157.

lies in the fact that in federal systems the central institutions
are free to exercise responsibilities assigned to them under the
constitution in a direct relationship with the electorate while in
confederal systems the central agencies, operating as delegates of
the regional governments, are dependent upon them for agreement to
common policies. Attempts to judge the relative effectiveness of
the two approaches suffer from the limitation that examples of
political confederations are relatively rare today, although the
confederal principle is alive in such inter-state economic associations
as the European Economic Community and in a more general sense
in the United Nations itself.

Generally speaking it has been argued that the advantage
of a confederal form of political integration is that it enables regional
units to retain ultimate control of their own destiny. Because
central agencies are composed of regional delegates and because on
major issues central decisions are subject to an ultimate veto by
regional governments, the chance of particular regional interests
being overridden is limited, thus reducing any regional sense of
insecurity for its autonomy and diversity. The disadvantages of
the confederal form relate largely to the difficulty of obtaining
agreement upon policies among all the component regional governments.
Common action by central agencies is likely to be limited to areas
where all or an overwhelming number of regional governments are
agreed, thus limiting central effectiveness. For instance, agreement
upon any extensive redistribution or equalization of resources among
component regions in order to counterbalance the trade diversion
effects of a common market or to reduce disparities in regional

wealth is usually difficult to obtain under such conditions.
Furthermore, historically political confederations have been marked
by instability. It should not be forgotten that both the United
States and Switzerland abandoned confederal forms of political
organization because of their inability to deal adequately with common
problems, and that each now looks back on the adoption of a federal
system as a turning point in its effective development. Further-
more, the slowness of the European Economic Community in achieving
its orginal objectives and disappointment with the limited spill-
over impetus for European political integration derived from that
functional co-ordination are an indication of the difficulties
faced by confederations.

But while confederal approaches have their limitations,
federal solutions do not provide panaceas. They have the advantage
that their central institutions, in those areas assigned by the
constitution to their jurisdiction, are likely to be able to operate
more decisively. Consequently they are also in a stronger
position to redistribute resources and reduce regional disparities.
There is historical evidence that federations can be stable forms
of political integration. While it is true that a significant
number of the newer federations established since 1945 have disin-
tegrated, it is also true that the United States (1789),
Switzerland (1848), Canada (1867), Australia (1901) and the Federal
Republic of Germany (1950) provide examples of the potential stability
of federal systems which is qualitatively significant.[16] Moreover,

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[16] Geoffrey Sawer, Modern Federalism (1969), p. 179-180.

in the last of these cases, the relative effectiveness of the Bonn
Constitution by contrast with the Weimar Republic suggests that
constitutional engineering can have a singificant impact on political
behaviour.   The institutional framework shapes and channels the
activities of the electorate, the political parties, organized
interest groups, bureaucracies and informal elites, and therefore,
can contribute to the moderation or accentuation of political conflict.
While these federations have each undergone their periods of
stress it would appear that they have over time generally succeeded
in reconciling the internal demands for both unity and diversity.
Indeed, it is characteristic of them that in practice their impact
has been to encourage not only "nation-building" but also "province-
building."[17]

Such achievements have not been without a price, however.
As critics have pointed out the constitutional distribution of
powers between two orders of government has meant that federal systems
have been marked by complexity, legalism, rigidity, conservatism
and expense in their operation.   It has even been argued that
because federations are conservative political systems representing
delicate balances of internal power that they tend to be "closed"
toward the outside world and less open to even wider supra-national
associations.[18]   These liabilities have usually been accepted,
however, as the necessary price for achieving a wider political integra-
tion that would both be more effective than a confederal organization

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[17] See, for instance, E.R. Black and A.C. Cairns, "A Different Perspec-
tive on Canadian Federalism", Canadian Public Administration,
IX, 1966, pp. 27-44.

[18] David Mittrany, "The Prospect of Integration: Federal or Functional?"
in J.S. Nye, Jr., ed., International Regionalism (1968)
pp. 43-73.

and provide greater protection for regional interests than a unitary system.

There is, of course, no ultimate or ideal form of political integration appropriate to all political circumstances. As the earlier analysis of factors contributing to demands for political integration and for regional autonomy inferred, the particular balance between these demands will vary in different countries and over time. A federal organization therefore, will not by any means always be an appropriate solution. Its appropriateness would appear to lie in those instances where the existence and vigour of forces that press for both wider unity and for autonomous regional diversity are relatively balanced. But even in such cases the effectiveness of a federal system may depend upon the particular form which it may take.

The Variety of Federal Systems

Whether a federal system can, in a particular instance, accommodate and reconcile the demands for inter-regional or supra-national political integration and for autonomous regional diversity will also depend upon the particular institutional structure of that federal system. While certain essential features are common to all federal systems, in fact no two federations have been absolutely identical. Each federation has in a sense been a unique experiment, combining in its own distinctive way a particular regional structure, distribution of powers, arrangement for intergovernmental co-operation, organization of central government, and protection for the supremacy of the constitution. Thus, in assessing the effectiveness of

a federal political system it is necessary to consider the particular form of its institutions and the degree to which they appropriately express and reconcile the demands of the multi-regional society on which it is based.

The essential features common to federal systems - to systems within which authority is distributed between two co-ordinate orders of government - are:

(1) two orders of government (central and regional) existing in their own right under the constitution;

(2) the co-ordinacy in legal and political status of the two orders of government in the sense that neither order is subordinate to the other;

(3) direct election to each order of government (rather than indirectly through the other order of government) and direct action (through legislation and taxation) by each government upon its own electorate;

(4) a formal distribution of autonomous legislative and executive authority and of sources of revenue between the two orders of government;

(5) a written constitution which defines the jurisdiction and resources of the two orders of government and which is not unilaterally amendable in its fundamental provisions by only one order of government;

(6) a process for adjudicating disputes relating to respective governmental powers and for interpreting the constitution, a process which usually involves a supreme court or a specialized constitutional court but which may take the form of the electorate acting through a referendum;

(7)   processes and institutions to facilitate intergovernmental consultation and accommodation;

(8)   central institutions structured to ensure sensitivity to regional and minority interests (usually involving a bicameral central legislature and regional representativeness in the central executive and bureaucracy, although the latter may depend upon convention).

Within such a basic federal framework there is considerable scope for variation in each of the elements which go to make up a federal system and these variations will have a critical impact upon the effectiveness of the federal system. In considering these various elements separately we should remember, however, that within a given system they must be interrelated: for example, the form of central institutions which is appropriate or the form of intergovernmental consultative procedures which is suitable may be related to the scope and nature of functions assigned to each order of government.

The number, absolute size and relative size of the regional units of government is an important variable because it affects the relative capacity of the units to perform functions and because it determines their relative influence in relation to each other and to the central government. For instance, the tiny cantons of Switzerland (23 of them in a total federal population no more than Ontario's), the relative bargaining power in relation to the central government of Australia's six states by comparison with the U.S.A.'s fifty, and the extreme asymmetry in size and wealth and hence governmental capacity of Ontario in relation to

Prince Edward Island illustrate the way in which the political
balance within a federation may be affected by the number and size
of its regional governmental units.

The distribution of functions and resources has varied con-
siderably from federation to federation. In some the legislative
and executive responsibilities coincide within each level of
government, but in Switzerland and the Federal Republic of Germany
the pattern is one of relatively centralized legislative authority
and constitutionally decentralized administrative authority. The
extent to which most powers have been assigned exclusively to one
level of government or the other as in Canada or Switzerland, or
extensive areas are placed under concurrent jurisdiction as in
Australia or West Germany varies. So does the allocation of the
residual authority, which in Canada and India, unlike most other
federations, is assigned to the central government. The extent to
which quasi-unitary unilateral powers are assigned to the central
government to override provincial autonomy in emergencies or under
certain specified conditions varies also, such powers being
particularly extensive in the Indian and Canadian federations.
Federations have varied considerably too in the specific legislative
fields and financial resources assigned to each order of government
with the result that there is a considerable range in the degree of
centralization or decentralization among them. On one simple
measure alone a comparative study of state public expenditure
as a percentage of central plus state public expenditure (after
revenue transfers) showed a range from 17% in Malaya and 26% in
the U.S.A. to 58% in India, 62% in Switzerland and 97% in the short-

lived West-Indies Federation. Between these two groups were to be found Australia, West Germany, Canada, Pakistan and Nigeria.[19]

It would appear that where the distribution of authority and resources has failed to reflect accurately the aspirations for political integration and for regional autonomy, there have been pressures for a shift in the balance of powers or in extreme cases even for abandoning the federal experiment, as happened in overcentralized Pakistan or the ineffectual West Indies. A factor which has made the finding of the appropriate balance more difficult in the contemporary world is the fact that a simple compromise between economic centralization and cultural regionalization is no longer a realistic policy in the way that it might have been a century or two ago. In most multicultural federations, as in Canada, regional linguistic or cultural groups have developed a deep-rooted anxiety that, because of the pervasive impact of public economic policy upon all aspects of society, centralized fiscal and economic policies aiming at the rapid development of an integrated economy would undermine their cultural distinctiveness and opportunities for employment in culturally congenial conditions. In the face of such concerns, most contemporary federations have found it necessary to develop interlocking central-regional responsibility over a wide range of functions particularly in economic matters. This has been particularly so in the sharing of financial resources because of the need to match the financial resources of regional governments

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[19] R.L. Watts, Administration in Federal Systems (1970), p.143, Table 2.

to their constitutional responsibilities and because of the importance of redistributing resources through equalization schemes in order to reduce disparities in wealth which would otherwise become a source of resentment and severe internal tension.

Asymmetry in the size and wealth of their regional units has led some federations such as Malaysia, India, Pakistan and Rhodesia and Nyasaland to experiment with giving some regional governments more autonomy than others. A similar solution has been proposed from time to time in the form of a "special status" for Quebec within Canada. Experience elsewhere suggests, however, that while a moderate asymmetry in the formal constitutional authority of regional governments can be tolerated and may indeed help to reflect better the political reality, major differences in degree of regional autonomy have generally fostered, rather than reduced, tension. The most notable example is that of the brief membership of Singapore within the Malaysian Federation.

Because it is within the central institutions that accommodation among the different regional viewpoints must be arrived at for policies relating to the exercise of those responsibilities assigned to the central government, the character of the central institutions and their ability to generate a sense of community for the federation as a whole is particularly important. Critical here is how regional groups and communities are represented in the central legislature, executive, civil service, political parties and life of the capital city. Where such groups are inadequately represented, as in the case of the East Pakistanis, the Singapore Chinese, the Jamaicans, or the black

Africans of Rhodesia and Nyasaland, the resulting alienation has culminated eventually in separation.

A particularly significant variation among federations, affecting both the manner in which regional interests are accommodated and reconciled in the formulation of central policies and the character of intergovernmental relations, is the extent to which the principle of the "separation of powers" between the executive and legislature is incorporated. In federations such as the United States with its presidential system and Switzerland with its collegial system, it has been possible to establish second chambers in which the states are equally represented and which are equal in constitutional power to the chamber in which representation is by population. Furthermore, the framework of checks and balances within their central institutions has in most periods encouraged the search by politicians and political parties for compromises because of the variety of points at which minority groups could otherwise block action. Furthermore, the diffusion of authority within each order of government has enabled the development of many points of contact and interpenetration between the two orders of government resulting in what Morton Grodzins has labelled "marble cake" federalism.[20]

In those federations where the central governments are organized along parliamentary lines, for example Canada, Australia and most of the newer Commonwealth federations, central cabinets with majority legislative support have been able more

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[20] Morton Grodzins, The American System (1966).

easily to undertake rapid and effective action, but at the price of placing complete sovereignty in the hands of a parliamentary majority with few institutional checks upon it. Invariably in such systems, the second chambers, intended to be particularly representative of regional communities, are weaker than the first chamber. Parliamentary systems with their strict party discipline thus put the responsibility for reconciling political conflicts and for aggregating support from diverse regional and cultural groups more directly upon the internal organization and processes of the political parties themselves. Consequently, when in such systems parties have become primarily regional in their bases, the parliamentary federations have been prone to instability, as in Pakistan before 1958 and Nigeria before 1966. It is not surprising, therefore, that the pattern of the results of the Canadian federal election of February 1980 and the resulting under-representation of the western provinces in a majority government should have quickly become a matter of concern. The parliamentary form of government has also affected the character of intergovernmental relations. For example, in Canada and Australia the dominance of the parliamentary cabinets at both levels has made these executive bodies the focus of relations between the two orders of government. This "executive federalism", as Donald Smiley has described it, seems often to produce intergovernmental relations which operate in a manner not unlike international diplomacy.[21]

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[21] D.V. Smiley, Canada in Question: federalism in the seventies (1976), chapter 3. See also Richard Simeon, Federal-Provincial Diplomacy; the making of recent policy in Canada (1972).

The result in these instances is a "layer cake" federalism which contrasts with the "marble cake" character of non-parliamentary federations.

Other variables in the federal structure also affect the character of its operation and its effectiveness. These include the particular form of the processes and institutions through which intergovernmental consultation and co-operation are facilitated - a field in which the Australian Loans Council and Commonwealth Grants Commission and the West German Bundesrat have been interesting innovations. Also significant is the structure of the judicial system, the supreme court or constitutional court, and the use of other devices, such as the Swiss use of the legislative referendum, for adjudicating disputes related to respective governmental powers. The impact of judicial review upon the way in which a federal system protects the interests of minorities is itself affected by whether the constitution includes a specification of entrenched fundamental rights limiting the scope of both central and state action. The procedures for constitutional amendment and the inclusion of provisions for the delegation of responsibilities from one level of government to the other affect the extent to which the federation is sufficiently flexible and adaptable to respond to changing conditions over time. Here federations have to find a balance between providing sufficient constitutional rigidity to ensure the confidence of regional communities in the ability of the federal structure to safeguard their interests, and providing sufficient flexibility to be able to respond to changes in social and economic conditions.

CONCLUSION

This paper has attempted to point to the great driving forces that, for a variety of reasons, have produced powerful forces both for inter-regional or supra-national political integration and for more autonomous regional entities. In the search for the middle ground that would permit the mutual accommodation of these pressures for unity and diversity, the federal form of organization, inspite of its complexities and rigidities, appears to provide a dynamic political technique which permits perhaps the closest political approximation to contemporary reality. The degree to which a federal system can accommodate this reality will depend, however, upon the extent to which the particular form of federal institutions adopted or evolved gives full expression to the demands of the particular society in question. Ultimately federalism is a pragmatic prudential technique whose continued applicability may depend upon further innovations in the institutional variables.

Federal systems are no panacea but they may be necessary as the only way of combining, through representative institutions, the benefits of both unity and diversity. Experience indicates that federations, both old and new, have been difficult countries to govern. But then, that is usually why they have federal political institutions.