

Measuring Regional Authority

A Postfunctionalist Theory of Governance, Volume I

Liesbet Hooghe, Gary Marks, Arjan H. Schakel,
Sara Niedzwiecki, Sandra Chapman Osterkatz, and
Sarah Shair-Rosenfield

OXFORD
UNIVERSITY PRESS

OXFORD

UNIVERSITY PRESS

Great Clarendon Street, Oxford, OX2 6DP,
United Kingdom

Oxford University Press is a department of the University of Oxford.
It furthers the University's objective of excellence in research, scholarship,
and education by publishing worldwide. Oxford is a registered trade mark of
Oxford University Press in the UK and in certain other countries

© Liesbet Hooghe, Gary Marks, Arjan H. Schakel, Sara Niedzwiecki,
Sandra Chapman Osterkatz, and Sarah Shair-Rosenfield, 2016

The moral rights of the authors have been asserted

First Edition published in 2016

Impression: 1

All rights reserved. No part of this publication may be reproduced, stored in
a retrieval system, or transmitted, in any form or by any means, without the
prior permission in writing of Oxford University Press, or as expressly permitted
by law, by licence or under terms agreed with the appropriate reprographics
rights organization. Enquiries concerning reproduction outside the scope of the
above should be sent to the Rights Department, Oxford University Press, at the
address above

You must not circulate this work in any other form
and you must impose this same condition on any acquirer

Published in the United States of America by Oxford University Press
198 Madison Avenue, New York, NY 10016, United States of America

British Library Cataloguing in Publication Data

Data available

Library of Congress Control Number: 2015947359

ISBN 978-0-19-872887-0

Printed in Great Britain by
Clays Ltd, St Ives plc

Links to third party websites are provided by Oxford in good faith and
for information only. Oxford disclaims any responsibility for the materials
contained in any third party website referenced in this work.

Acknowledgements

Subnational governance is a deeply furrowed field, and over the years that we wrote this book we have accumulated debts to many whose work we draw on or who helped us dig a little deeper.

Several research assistants have worked on various parts of the project. Anna Brigevich and Char Lloyd provided valuable assistance in the early stages. Hanna Kleider helped us probe the intricacies of fiscal federalism. Max Boiten collected data on community and scale in eighty-one countries. Rick Scholten checked references, formatted documents, and hunted down sources. Gabriele Magni astutely edited country profiles. Alan James Simmons provided help with Russian sources. Benjamin Neudorfer made the datasets publication-ready and maintained the project's website.

Special thanks to Kent Eaton, Jean-Paul Faguet, Agustina Giraudy, and Michaël Tatham for their extensive comments on the drafts we sent their way.

Dawn Brancati, Vernon Henderson, Christine Kearney, Hans Keman, Daniel Treisman, and Jaap Woldendorp generously shared their datasets, and on several occasions, provided additional clarifications.

Santiago Anria, Marta Arretche, Yooil Bae, Jacques Bertrand, Alejandro Bonvecchi, Antonio Cardarello, William Ewell, Agustina Giraudy, Allen Hicken, Lim Hong Hai, Rodrigo Mardones, Andrew McDougall, Nicola McEwen, Stephanie McNulty, Martin Papillon, Graham Pearce, Stephen Rood, Brian Turner, and Luis Verdesoto provided expert commentaries on country profiles.

We also wish to thank the following people for helpful advice: Kiran Auerbach, Ronald Alfaro-Redondo, Ian Bache, Michael Bauer, Jenna Bednar, Arthur Benz, Hansjörg Blöchliger, Juan Bogliaccini, Caelesta Braun, Michal Callanan, Joel Campbell, Tom Carsey, Claire Charbit, Chris Chapman, Nicholas Charon, Régis Dandoy, Dorothee Allain-Dupré, Ted Enamorado, Geoffrey Evans, Tulia Falletti, Robert Fatton, Matthew Flinders, Sabine Friedrichs, Susanne Fuchs, Virginia Gray, Imke Harbers, Detlev Jahn, Christian Joerges, Charlie Jeffery, Jacint Jordana, Ken Kollman, Christel Koop, Jonathan Kropko, Brigid Laffan, Christiane Lemke, David Levi Faur, Robert Liñeira, Ivan Llamazares, Julián Daniel López-Murcia, Chris Mitchell, Edward Page, Aníbal Pérez-Liñán, Bettina Petersohn, Michelle Taylor Robinson, Javier Astudillo Ruiz, Jeffrey

Acknowledgements

Ryan, Grace Skogstad, Edina Szöcsik, Dejan Stjepanovic, Pep Vallbe, and Christina Zuber.

We received feedback on drafts explaining the measure at the American Political Science Association (APSA) in Washington (2010), the University of Hannover (2010), the University of North Carolina at Chapel Hill (2011, 2013), Charles University in Prague (2011), the Munk Centre at the University of Toronto (2011), the Organisation for Economic Co-operation and Development (OECD) (2011), the Free University Berlin (2010, 2011), the International Studies Association in San Diego (2012), the Regional Studies Association in Delft (2012), the University of Pompeu Fabra (2012), the University of Salamanca (2012), the University of Copenhagen (2012), the Policy and Politics Conference at the University of Bristol (2013), the Conference of Europeanists in Amsterdam (2013), the VU University Amsterdam (2013), the European Consortium for Political Research (ECPR) in Bordeaux (2013), the Hertie School of Governance in Berlin (2014), the ECPR Regulatory Governance meeting in Barcelona (2014), the Hanse-Wissenschaftskolleg in Delmenhorst (2013, 2014), Nuffield College, University of Oxford (2014), the APSA in Washington, D.C. (2014), and the European University Institute in Florence (2014, 2015).

Sandra Chapman Osterkatz would like to thank her husband Sol for his enthusiastic support, and their sons Nathan and Jaime for being along for the ride from day one.

Sara Niedzwiecki would like to thank the Departments of Political Science at the University of North Carolina and the University of New Mexico, as well as her husband Jeff Erbig.

Arjan Schakel would like to thank the Hanse-Wissenschaftskolleg in Delmenhorst for providing financial support as well being his gracious hosts during his research leave, and the Scottish Centre on Constitutional Change in Edinburgh and the Institute of Governance at the University of Edinburgh, where he was based for two research leaves funded by the British Academy through the Newton International Fellowship Alumnus Fund.

Sarah Shair-Rosenfield would like to thank Arizona State University's College of Liberal Arts and Sciences and School of Politics and Global Studies for providing research funding through seed grant CL201415.207.

Liesbet Hooghe and Gary Marks thank the Kollegforschungsbereich "Transformative Europe" at the Free University of Berlin, and especially Tanja Börzel and Thomas Risse, for providing a stimulating venue. Nuffield College was an inspiring host during Trinity term, 2014. The University of North Carolina at Chapel Hill and the VU University Amsterdam were perfect homes for this project and its authors.

The project has been funded by Gary Marks' Advanced ERC grant # 249543, "Causes and Consequences of Multilevel Governance" and a

Acknowledgements

grant to Liesbet Hooghe from the European Commission to update the regional authority index (RAI) for European Union (EU) countries. The Hanse-Wissenschaftskolleg in Delmenhorst generously funded and hosted two workshops.

We dedicate this book to our families who provided us with love and support at every step along the way.

Albuquerque, Amsterdam, Chapel Hill, Maastricht, Tempe

August 2015

Contents

Part I. Measurement

| | |
|---|----|
| 1. Transparency in Measurement | 3 |
| 2. Crossvalidating the Regional Authority Index | 36 |
| 3. How We Apply the Coding Scheme | 58 |

Part II. Country Profiles

| | |
|---------------------------------------|-----|
| North America | 113 |
| Central America and the Caribbean | 145 |
| South America | 193 |
| Asia Pacific | 283 |
| Northern and Western Europe | 344 |
| Central and Eastern Europe and Russia | 418 |
| Southern Europe | 450 |
| <i>Appendix</i> | 514 |
| <i>References</i> | 563 |
| <i>Index</i> | 669 |

Detailed Contents

| | |
|------------------------|------|
| <i>List of Tables</i> | xv |
| <i>List of Figures</i> | xvii |
| <i>List of Maps</i> | xix |

Part I: Measurement

| | |
|--|----|
| 1. Transparency in Measurement | 3 |
| Measurement, Error, and Fallability | 10 |
| Nuts and Bolts | 14 |
| I. The Background Concept: Political Authority | 16 |
| II. The Specified Concept: Validity and Minimalism | 19 |
| III. Dimensions of Self-rule and Shared Rule | 23 |
| IV. Indicators for Dimensions of Self-rule and Shared Rule | 26 |
| V. Scoring Cases | 27 |
| VI. Adjudicating Scores | 32 |
| Conclusion | 33 |
| 2. Crossvalidating the Regional Authority Index | 36 |
| Institutional Indicators of Decentralization | 37 |
| Cross-sectional Comparison | 41 |
| Sources of Disagreement | 42 |
| Limited Country Coverage | 42 |
| Distance in Time | 42 |
| Multiple Regional Tiers | 43 |
| Differentiation | 43 |
| Reform | 43 |
| Analysis of Disagreement | 43 |
| Cases of Disagreement | 46 |
| Fiscal Indicators | 49 |
| Conclusion | 54 |
| 3. How We Apply the Coding Scheme | 58 |
| Self-rule | 60 |
| Institutional Depth | 60 |
| Policy Scope | 66 |

Detailed Contents

| | |
|------------------------|-----|
| Fiscal Autonomy | 70 |
| Borrowing Autonomy | 72 |
| Representation | 76 |
| Shared Rule | 80 |
| Law Making | 80 |
| Executive Control | 87 |
| Fiscal Control | 91 |
| Borrowing Control | 93 |
| Constitutional Reform | 96 |
| Types of Regions | 103 |
| Aggregating the Scores | 106 |

Part II. Country Profiles

| | |
|-----------------------------------|-----|
| Introduction | 111 |
| North America | 113 |
| Canada (1950–2010) | 115 |
| United States (1950–2010) | 132 |
| Central America and the Caribbean | 145 |
| Bahamas (1973–2010) | 148 |
| Barbados (1966–2010) | 149 |
| Belize (1981–2010) | 149 |
| Costa Rica (1950–2010) | 150 |
| Cuba (1950–2010) | 151 |
| Dominican Republic (1950–2010) | 156 |
| El Salvador (1950–2010) | 160 |
| Guatemala (1950–2010) | 161 |
| Haiti (1950–2010) | 162 |
| Honduras (1950–2010) | 166 |
| Jamaica (1962–2010) | 167 |
| Mexico (1950–2010) | 168 |
| Nicaragua (1950–2010) | 177 |
| Panama (1950–2010) | 182 |
| Trinidad and Tobago (1962–2010) | 188 |
| South America | 193 |
| Argentina (1950–2010) | 196 |
| Bolivia (1950–2010) | 210 |
| Brazil (1950–2010) | 222 |
| Chile (1950–2010) | 232 |
| Colombia (1950–2010) | 236 |

Detailed Contents

| | |
|--|------------|
| Ecuador (1950–2010) | 246 |
| Guyana (1966–2010) | 255 |
| Paraguay (1950–2010) | 255 |
| Peru (1950–2010) | 259 |
| Suriname (1950–2010) | 266 |
| Uruguay (1950–2010) | 266 |
| Venezuela (1950–2010) | 273 |
| Asia Pacific | 283 |
| Australia (1950–2010) | 286 |
| Brunei (1950–2010) | 294 |
| Indonesia (1950–2010) | 294 |
| Japan (1950–2010) | 307 |
| Malaysia (1957–2010) | 309 |
| New Zealand (1950–2010) | 320 |
| Philippines (1950–2010) | 322 |
| Singapore (1965–2010) | 330 |
| South Korea (1950–2010) | 330 |
| Thailand (1950–2010) | 336 |
| Timor-Leste (2002–2010) | 343 |
| Northern and Western Europe | 344 |
| Austria (1955–2010) | 348 |
| Belgium (1950–2010) | 352 |
| Denmark (1950–2010) | 364 |
| Finland (1950–2010) | 369 |
| France (1950–2010) | 373 |
| Germany (1950–2010) | 378 |
| Iceland (1950–2010) | 387 |
| Ireland (1950–2010) | 387 |
| Luxembourg (1950–2010) | 389 |
| The Netherlands (1950–2010) | 389 |
| Norway (1950–2010) | 392 |
| Sweden (1950–2010) | 395 |
| Switzerland (1950–2010) | 398 |
| United Kingdom (1950–2010) | 404 |
| Central and Eastern Europe and Russia | 418 |
| Bulgaria (1991–2010) | 421 |
| Czech Republic (1993–2010) | 422 |
| Estonia (1992–2010) | 424 |
| Hungary (1990–2010) | 424 |
| Latvia (1990–2010) | 427 |

Detailed Contents

| | |
|--|-----|
| Lithuania (1992–2010) | 428 |
| Poland (1990–2010) | 430 |
| Romania (1991–2010) | 433 |
| Russia (1993–2010) | 436 |
| Slovakia (1993–2010) | 448 |
| Southern Europe | 450 |
| Albania (1992–2010) | 455 |
| Bosnia and Herzegovina (1995–2010) | 456 |
| Croatia (1991–2010) | 462 |
| Cyprus (1960–2010) | 464 |
| Greece (1950–2010) | 465 |
| Israel (1950–2010) | 468 |
| Italy (1950–2010) | 470 |
| Kosovo (2008–2010) | 479 |
| Macedonia (1991–2010) | 479 |
| Malta (1964–2010) | 480 |
| Montenegro (2007–2010) | 480 |
| Portugal (1950–2010) | 481 |
| Serbia (2007–2010) | 487 |
| Serbia and Montenegro (1992–2006) | 490 |
| Slovenia (1990–2010) | 494 |
| Spain (1950–2010) | 495 |
| Turkey (1950–2010) | 511 |
| <i>Appendix</i> | 514 |
| <i>Regional scores</i> | 514 |
| <i>Country scores</i> | 545 |
| <i>Indicators for regional authority</i> | 558 |
| <i>References</i> | 563 |
| <i>Primary references</i> | 563 |
| <i>Secondary references</i> | 610 |
| <i>Index</i> | 669 |

List of Tables

Part I: Measurement

| | | |
|-------|--|----|
| 1.1 | Measures of regional authority | 14 |
| 1.2 | Self-rule | 28 |
| 1.3 | Shared rule | 29 |
| 1.4 | Polychoric factor analysis | 34 |
| 2.1 | Institutional measures of decentralization | 38 |
| 2.2 | Comparing decentralization measures | 40 |
| 2.3 | Factor analysis of decentralization measures | 42 |
| 2.4 | Explaining absolute disagreement | 44 |
| 2.5 | Explaining directional disagreement | 45 |
| 2.6 | Cases of disagreement | 46 |
| 2.A.1 | Country coverage across measures of decentralization | 55 |
| 2.A.2 | Descriptive statistics | 56 |
| 2.A.3 | Pairwise pearson correlations | 56 |
| 2.A.4 | Pairwise pearson correlations between the residuals of the alternative measures | 57 |
| 2.A.5 | Descriptive statistics of the independent variables | 57 |

Part II: Country Profiles

| | | |
|--|---|-----|
| | Regional scores | 514 |
| | Country scores | 545 |
| | Indicators for self-rule | 558 |
| | Indicators for shared rule | 560 |
| | Indicators for multilateral and bilateral shared rule | 561 |

List of Figures

Part I: Measurement

| | |
|--|----|
| 1.1 Measurement model | 8 |
| 1.2 Robustness of the regional authority index across alternative weights | 35 |
| 2.1 Subnational expenditure and regional authority | 50 |
| 2.2 Subnational revenue and regional authority | 52 |
| 2.3 Vertical imbalance and regional authority | 53 |

Part II: Country Profiles

| | |
|---|-----|
| Horizontal and vertical validity | 112 |
| Trends in regional authority in North America | 115 |
| Trends in regional authority in Central America and the Caribbean | 147 |
| Trends in regional authority in South America | 195 |
| Trends in regional authority in Asia Pacific | 285 |
| Trends in regional authority in Northern and Western Europe | 346 |
| Trends in regional authority in Central and Eastern Europe and Russia | 420 |
| Trends in regional authority in Southern Europe | 453 |

List of Maps

| | |
|---|-----|
| Standard and differentiated regions in North America (2010) | 114 |
| Standard and differentiated regions in Central America and the Caribbean (2010) | 146 |
| Standard and differentiated regions in South America (2010) | 194 |
| Standard and differentiated regions in Asia Pacific (2010) | 284 |
| Standard and differentiated regions in Northern and Western Europe (2010) | 345 |
| Standard and differentiated regions in Central and Eastern Europe and Russia (2010) | 419 |
| Standard and differentiated regions in Western Southern Europe (2010) | 451 |
| Standard and differentiated regions in Eastern Southern Europe (2010) | 452 |