

Community, Scale, and Regional Governance

A Postfunctionalist Theory of Governance, Volume II

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The questions that motivate this book took form in Val d’Aran in the Pyrenees some ten years ago. We had driven several hours to traverse just a few linear miles, and we had arrived in a place with distinctive flora and fauna, habits and norms. What, we began to ask, was the effect of geographical isolation? How could political difference be sustained in its absence?

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Chapel Hill

April 2016

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Prologue

The postfunctionalist premise of this book is that governance is not one thing. It is at least two things: it is a means to realize ends and it is an end in itself. The first conception conceives governance, binding collective decision making in the public sphere, as a functional adaptation to the provision of public goods. The second conceives governance as an expression of human sociality. It stresses that humans are social beings who value self-rule for what it is as well as for what it does. Collective self-rule has intrinsic value for people who consider themselves part of a community.

In order to make progress in explaining the territorial structure of governance, it is necessary to theorize both its functional and social logics. The functional logic of governance is a logic of scale diversity in the provision of public goods. It conceives jurisdictional design as a utilitarian response to the dilemma of providing public goods to egocentric individuals. This approach has some elegant implications. Multilevel governance is what *homo economicus* would create if he wished to provide individuals living in different locations with public goods having diverse externalities and economies of scale.

However, we need to extend the analysis beyond the pressures for functionally efficient governance if we wish to understand demands for self-rule on the part of ethnic minorities or, more generally, communities that are normatively distinctive. When such communities demand self-rule, they are claiming a collective right to exercise authority. The demand is not derivative from a preference over policy. It expresses a polity preference rather than policy preference. It asserts the right of a community to govern itself. This is the *Who Question*—does this group or does that group have the right to make collectively binding decisions? This is one of the most difficult questions in the field of human behavior, and it is the source of much political conflict. It is the point of departure for postfunctionalism because it requires one to think beyond the functionalist analysis of economic efficiency. It implies that to

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explain governance one must analyze how individuals think and act in relation to the communities to which they conceive themselves belonging.

In our prior work we have theorized that the implications of community for governance are constructed in political debate. The conceptual distinction between exclusive versus inclusive national identity appears to be highly influential in predicting attitudes over European integration. So it is not the strength of national identity that is decisive for jurisdictional reform, but the way in which national identity is constructed in debate among political parties, social movements, elites, and the media. This approach is bearing fruit in the analysis of peripheral nationalism. However, if we wish to generalize about the structure of governance across a wide range of countries over an extended period of time, it makes sense to go further back in the causal chain. Regionalist political parties are banned in many countries, and surveys that would allow us to infer contestation over polity preferences are lacking. So we identify systemic indicators of peripheral community which we use to predict the structure of governance.

Economic costs and benefits can be expected to affect the willingness of individuals to make a sacrifice for self-rule. However, the existence of a budget constraint does not alter the premise that the demand for self-rule cannot be reduced to preferences over policy. There are at least two reasons for believing so. The first is that there is convincing evidence that the diffuse reciprocity exhibited by humans in communities cannot be explained by theories that assume humans to be self-regarding economizers.

The second reason—and the central argument of this book—is that the effects of community for governance are different from the effects of functional efficiency. Normatively distinct communities produce ripples in the structure of governance because they attract rule. They produce local concentrations of authority that break the coherence of jurisdictional design across a country. The outcome then reflects not just heterogeneity of *policy* preferences, but something more fundamental and difficult to accommodate, heterogeneity of *polity* preferences. The literature on heterogeneity of policy preferences helps one explain uniform multilevel governance in which every jurisdiction in a country has the same authority. We theorize the heterogeneity of polity preferences to explain something more varied and more puzzling: *differentiated* multilevel governance.

Minority communities generate differentiation in ways that have little to do with functional efficiency and a lot to do with the strategic location of a regional community in relation to the central state and to other regions in the country. Minority communities come in distinct forms that allow one to generalize about their authority, their relations with other subnational groups, and their systemic effects. Whereas some regional communities can be accommodated as anomalies that have merely local effects, others

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precipitate intense conflict with systemic effects for governance in the country as a whole.

The influence of community appears to reach into the physical design of jurisdictions. One might expect that any sensible economist or public goods scholar would design jurisdictions so that they have roughly the same territory and population. However, the jurisdictions we observe are built around communities as well as functionalist models, and this leads them to have widely varying territories and populations. Some communities survive national assimilation with small populations in small territories at the geographical margin of a society, while others nearer the center have large populations in large territories. So the existence of community makes its presence felt by producing a positive association between the size of a region's population and the size of its territory.

A community is not just a collection of individuals having distinct preferences over policy. A community is a group of densely interacting individuals sharing norms of diffuse reciprocity. This makes a decisive difference because sociality is the key to overcoming the dilemma of collective action, the free rider problem. Territorial proximity is by no means necessary for sociality, but it certainly helps. Territorial community is perhaps the strongest form of solidarity there is. National states are the foremost example, but territorial communities within national states can also have a formidable capacity for collective action.

Several expectations flow from this. One is that the efforts of a minority community to gain self-rule can affect the society as a whole. There are several ways in which this can happen. Those in other regions may resist the empowerment of a single region, or they may compete by demanding similar rights. When confronted by a minority that considers itself a nation, people in other regions may begin to reconsider their own identity. Central rulers may accommodate a minority by reforming the country as a whole, or they may resist and seek to suppress the movement.

Opposition rooted in a minority community may outlast intense state repression. Territorially concentrated minority communities can be a thorn in the side of a dictator, and are a common source of revolt in authoritarian regimes. Pressures for self-rule can burst into the open when a regime democratizes, with dramatic consequences for the formation of new states. Democratization and minority nationalism go hand in hand, yet consolidated democracies rarely break apart. On the one hand, democracy creates space for the mobilization of minority community; on the other it allows an amazingly flexible repertoire of accommodation.

Both functional and community pressures have played out in the rise of regional authority over the six decades we examine in this book. However, they have done so in different ways with different results. One would expect to see country-wide reform as a functional response to change in the

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technology of public goods provision or change in a government's policy portfolio. We find ample evidence for such effects both cross-sectionally and over time. Governments have become more engaged with the daily lives of citizens as they have taken on responsibility for education, health, welfare, and the environment. These policies require contextual information that is difficult to centralize, and governments have adapted by providing these policies at multiple levels.

Functional and community pressures have operated in much the same direction in recent decades to deepen multilevel governance. However, there is nothing inevitable about this. Community is double-edged, and it can centralize as well as decentralize authority. The demand for national self-rule can impede governance among states. Within states, minority communities can claim exclusive competences that throttle multilevel governance within their territories. Efforts to stretch functional analysis to encompass such effects appear to go in precisely the wrong direction. In order to account for the variation that we observe across time and space, we need to redirect the study of governance to questions that are prior to preferences over policy. We need, in short, to engage the *Who Question*—who gets the right to make collectively binding decisions?