

Self-Rule And Shared Rule

Abstract

'Self-rule' and 'shared rule' are two widely used notions to define, describe and classify federal political systems. In this contribution, I define what these two concepts mean, particularly in the context of federal studies, as well as discuss the different understandings and practices of them. Drawing upon the Regional Authority Index (Hooghe et al. 2016), I present a number of variables that can be used to measure the self-rule and shared rule dimensions of federal political systems.

Introduction and definitions

“Self-rule” and “shared rule” are two widely used notions to define, describe and classify federal political systems. There is wide agreement in the literature that self-rule refers to autonomy and hence the extent to which sub-national units (*Länder*, cantons, States, provinces, autonomous communities etc.) are free in deciding, financing and implementing their own policies. Of course, self-rule can take various forms as well, namely the power to make public policy decisions that deviate from or even contradict upper-level standards; the capacity to raise revenue via specific taxation – or not, and thus fuel cross-regional tax competition; the liberty to accept or refuse federal funding for specific projects; or the ability to implement national rules according to regional specificities, e.g. make it even harder or easier to register property. In all this, however, decisions always and exclusively relate to the region’s *own* territory, which is what the “self” in self-rule refers to. Shared rule, by contrast, can refer to three radically different manifestations of territorial power, depending on who exactly is meant by the “sharing with”-component – as we can only share with someone else, who this other is defines the understanding of shared rule.

Thus, a first understanding of shared rule (e.g. Hooghe et al. 2016) defines it as the extent to which sub-national units can participate in decisions that concern the whole political community and not just their region. A good example of this is the German second chamber, the *Bundesrat*, whereby each of the 16 Land governments is directly represented and whose consent is needed on national legislation affecting the *Länder*. Land governments thus have the possibility to formally veto national decisions if they feel their interests are not sufficiently taken into account. The “other”, in this case, is the national community, and power is shared with a simple or qualified majority of different regions.

A second, alternative understanding of shared rule refers to horizontal cooperation between constituent units at the exclusion of the federal government. In Switzerland, for example, there are some 800 treaties between two, several or even all 26 cantons that regulate common standards. This can go as far as providing for inter-cantonal commissions, for example to rule on the admissibility of diplomas and certificates. Cantons are said to share their rule by cooperating and providing for common institutions although these do not involve the federal level. Synonyms for shared rule understood as horizontal cooperation are regionalisation (if cooperation is confined to only a handful of units) and harmonisation (if it involves all constituent units). The “other”, in this case, refers to selected co-regions.

A third and final meaning of shared rule, and probably the one intended by its original creator (Elazar 1987), defines it as the powers and competences of the central government. This stems from the idea that when regions come together in a federal union, they delegate some powers to the new entity and retain others in their exclusive jurisdiction (self-rule). Here, shared rule equates to centralisation – power is shared in the form of a new “other”, i.e. a new, supra-regional government largely beyond the reach of individual regions. In the United States, for example, the power to declare war was handed over by the 13 founding States in 1787 to the newly established US Congress (Section 8, paragraph 11).

The Link between these Concepts and Federal Studies

The most encompassing and rigorous study of self-rule and shared rule has been devised by Liesbet Hooghe, Gary Marks, Arjan Schakel and various other collaborators (Hooghe et al. 2016). They conceive of self-rule and shared rule as the two essential dimensions of what they call the Regional Authority Index (RAI) and propose a detailed measurement scheme (Table 1). The latest edition of their dataset covers 81 (quasi-)democracies between 1950 and 2010 and includes all regions with an average population of at least 150.000. Ever since the creation of the RAI, it has been possible to systematically compare federal and non-federal systems on all or only selected dimensions of self-rule and/or shared rule.

Self-rule	The authority exercised by a regional government over those who live in the region, from 0 to 18, which is the sum of the following five dimensions
<i>Institutional depth</i>	The extent to which a regional government is autonomous rather than deconcentrated (from 0 = no functioning general-purpose administration at regional level to 3 = non-deconcentrated, general-purpose, administration not subject to central government veto)
<i>Policy scope</i>	The range of policies for which a regional government is responsible (from 0 = very weak authoritative competence in a) economic policy; b) cultural-educational policy; c) welfare policy; and d) one of the following: residual powers, police, own institutional set-up, local government to 4 = authoritative competencies in d) and at least two of a), b), or c) plus authority over immigration or citizenship)
<i>Fiscal autonomy</i>	The extent to which a regional government can independently tax its population (from 0 = central government sets base and rate of all regional taxes to 4 = regional government sets base and rate of at least one major tax)
<i>Borrowing autonomy</i>	The extent to which a regional government can borrow (from 0 = the regional government does not borrow to 3 = the regional government may borrow without any centrally imposed restrictions)
<i>Representation</i>	The extent to which a region has an independent legislature and executive (from 0 = no regional assembly and regional executive appointed by central government to 4 = directly elected regional assembly and regional executive appointed by it or popularly elected)
Shared rule	The authority exercised by a regional government or its representatives in the country as a whole, from 0 to 12, which is the sum of the following five dimensions
<i>Law making</i>	The extent to which regional representatives co-determine national legislation (from 0 = no regional representation to 2 = regional representation with veto rights over national laws affecting their region)
<i>Executive control</i>	The extent to which a regional government co-determines national policy in intergovernmental meetings (from 0 = no routine bi- or multilateral meetings between central and regional governments to discuss national policies to 2 = routine bi- and multilateral meetings with binding authority)
<i>Fiscal control</i>	The extent to which regional representatives co-determine the distribution of national tax revenues (from 0 = no regional consultation to 2 = consultations with veto powers)
<i>Borrowing control</i>	The extent to which a regional government co-determines subnational and national borrowing constraints (from 0 to 2, equivalent to <i>Fiscal Control</i>)
<i>Constitutional reform</i>	The extent to which regional representatives co-determine constitutional change (from 0 = the central government or national electorate can unilaterally reform the constitution to 4 = one or several regional governments or their representatives can veto constitutional change)

The main advantages of this conceptualisation are that, as it builds on *formal* rules defined in the constitution or legislation, it provides an externally valid, reliable and transparent image of regional authority. However, the main disadvantage is that *informal* mechanisms of regional influence – e.g. that exercised by political parties or exercised via adjudication – remain in the dark. Also, the extent to which these channels are actually made use of warrants further empirical investigation. For example, given the authority to co-determine national tax revenue distribution, what alliances are formed between which regional representatives, and under what conditions are regions able to impose their will against the central government – i.e. to exercise power in the Weberian sense?

Contemporary Relevance

Self-rule and shared rule capture the essence of federal political systems, namely the extent and nature of vertical power distribution. In theory, four different possibilities are imaginable, namely countries with both high self- and shared rule, those with low scores on both, and two further options with high values on one but low scores on the other. In practice, however,

only three types of systems are found: Unitary countries where regions have neither self-rule nor shared rule (for example Cyprus, Luxembourg or Iceland); systems with high self-rule but rather low shared rule (for example Italy, Bosnia, Canada, or Mexico) and federations with high values on both dimensions (Germany, Spain, Belgium, the US and Switzerland). It thus emerges that of the two dimensions, shared rule is more often withheld and self-rule more readily granted. One reason for this could be that while it is one thing to decentralise power to a region over its own territory and population (and thus hand over a certain degree of responsibility and the duty to self-finance the new tasks), it is quite another to grant regions a say in national matters which are often deemed too important for local idiosyncrasies (e.g. defence, macroeconomic policy, social welfare).

However, country-by-country comparisons are needed to reveal precisely why this is the case, and future systematic research into the RAI should be able to a) tease out factors that explain cross-regional variation in the speed and direction of change as well as b) reveal the effects of those differences across countries, but possibly also across policy areas and/or regions of the same country. For example, it can thus be conjectured that policy-making follows different trajectories depending on whether the area is an exclusive regional competence or shared by the regional and national government alike, for example where the national level defines the general framework and the sub-national entities are tasked to implement these rules. Different degrees of regional authority might also be linked to democratic accountability, administrative efficiency and the accommodation of territorially concentrated socio-cultural minorities.

Conclusion

Self-rule and shared rule are two widely used concepts that capture the essence of federal political systems, namely the extent and nature of vertical power sharing. Self-rule refers to regional autonomy in decision-making, financing and/or implementation. Shared rule in contrast, can be understood in three different ways: 1) Regional participation in national decision-making (e.g. Hooghe et al. 2016); 2) Horizontal cooperation between constituent units that excluded the federal government; and 3) The powers delegated by the regions to the central government (centralisation). The Regional Authority Index (RAI) is by now the most widely used, reliable and valid measurement of both dimensions.

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Bibliography and Further Reading

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