

INTL8300
Special Topics in Comparative Politics:
The Political Economy of Federalism and Decentralization
University of Georgia
Department of International Affairs
Candler Hall 117, Wednesday 6:50-9:50pm

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Course Description: The structure of government has changed dramatically since the mid-twentieth century. Not only has authority been transferred upward to organizations like the European Union, but it has also been shifted downward, with significant functions and competencies being transferred to subnational levels of government. Indeed, where changes in the structure of government have taken place since the end of the Second World War it has mostly been to the effect of increasing rather than decreasing subnational autonomy. This course examines theories and empirical studies that explore the causes and consequences of these trends. In so doing, the course surveys an area of research that became one of political science's most vibrant "growth industries" after long having occupied a niche in the discipline. We will review the theoretical literature on federalism and decentralization and study how decentralized systems work in practice in diverse settings around the world.

The course is organized into three main parts. We begin by asking why states decentralize. We will take economic theories of federalism as our starting point, but we quickly move beyond them by introducing identity and party politics. In the second part of the course we ask why federations form. We will examine whether federations as diverse as the United States, Belgium, Argentina, and the European Union have formed for similar reasons? Do federal countries necessitate a specific type of contract and if so what are key characteristics of this contract? In the third and final part of the course we will examine the implications of decentralization for governance, accountability and policy outcomes. Does decentralization make government more efficient and more responsive to citizens? Does decentralization have implications for redistributive policies and equality? How does it affect civil conflict in ethnically divided countries?

Readings:

Hooghe, L., Marks, G., Schakel, A., Chapman Osterkatz, S., Niedzwiecki, S, and Shair-Rosenfield, S. (2016). *Community, Scale, and Regional Governance: A Postfunctionalist Theory of Governance, Volume II*. Oxford: Oxford University Press.

Assignments: Because the course is meant to help students design empirical research projects, the main assignment is a final analytical paper. In this paper (15-20 pages), you will be expected to formulate a research puzzle, review competing theories, develop your own hypotheses and do the empirical research to test your hypotheses. You will hold a

conference like presentation on your research on the last day of class (19 April), where you will receive feedback from a discussant assigned to you. The final paper is due on May 15, 2017.

Students also chose three weeks for which they will write a short 1-2 page paper reacting to the readings. These papers may critique both theoretical and empirical aspects of the readings, discuss possible extensions and empirical applications or propose alternative approaches. They will form the basis for a more active role for the student in leading this week's discussion and will be circulated by Sunday night before the class.

Grading is as follows:

Short papers: 15 % each

Participation: 15%

Final paper: 40%

January 11: Introduction and Course Organization

- Wibbels, E. (2006). Madison in Baghdad?: Decentralization and Federalism in Comparative Politics. *Annual Review of Political Science* 9: 165-188.

PART I : WHY DECENTRALIZE?

January 18: The Optimal Assignment of Governmental Authority

- Oates, W. (1999). An Essay on Fiscal Federalism, *Journal of Economic Literature*. 37(3): 1120-49.
- Panizza, U. (1999). On the Determinants of Fiscal Centralization: Theory and Evidence, *Journal of Public Economics* 74: 97-139.
- Hooghe, L. and Marks, G. (2013). Beyond Federalism: Estimating and Explaining the Territorial Structure of Government, *Publius: The Journal of Federalism* 43(2): 179-29.
- Schakel, A. H. (2010). Explaining Regional and Local Government: An Empirical Test of the Decentralization Theorem, *Governance* 23(2): 331-355.

January 25: Identity Politics and Decentralization

- Hooghe, L., Marks, G., Schakel, A., Chapman Osterkatz, S., Niedzwiecki, S, and Shair-Rosenfield, S. (2016). *Community, Scale, and Regional Governance: A Postfunctionalist Theory of Governance, Volume II*. Oxford: Oxford University Press. (Chapters 5 and 6)
- Moreno, L., Arriba, A., and Serrano, A. (1998). Multiple Identities in Decentralized Spain: The Case of Catalonia, *Regional & Federal Studies* 8(3): 65-88.
- Béland, D., and Lecours, A. (2006). Sub-State Nationalism and the Welfare State: Québec and Canadian Federalism, *Nations and Nationalism* 12 (1): 77-96.
- Erk, J. and Koning, E. (2010). New Structuralism and Institutional Change: Federalism between Centralization and Decentralization, *Comparative Political Studies* 43(3): 353-378.

February 1: Party Politics and Decentralization

- Toubeau, S., and Massetti, E. (2013). The Party Politics of Territorial Reforms in Europe, *West European Politics* 36(2): 297-316.
- Kaiser, A. and Röth, L. (2016). Why Decentralize Asymmetrically? A Theory of Ideological Authority, Paper prepared for the 23rd International Conference of Europeanists.
- Léon, S. (2014). How Does Decentralization Affect Electoral Competition of State-Wide Parties? Evidence from Spain, *Party Politics* 20(3): 391-402.
- Falleti, T. G. (2005). A Sequential Theory of Decentralization: Latin American Cases in Comparative Perspective, *American Political Science Review* 99(03): 327-346.

PART II : WHY COME TOGETHER?

February 8. Federalism

- Riker, W. (1964). *Federalism: Origin, Operation, Significance*. Boston and Toronto: Little, Brown and Company.
(Preface and Chapters 1-2)
- Elazar, D. J. (1987). *Exploring Federalism*. University of Alabama Press.
(Chapters 1-2)
- Watts, R. (1993). Representation in North American Federations: A Comparative Perspective, in Olson, D. and Franks, C.E.S. (Eds.), *Representation and Policy Formation in Federal Systems*. Berkeley: Institute of Governmental Studies: 291-321.

February 15: Consociationalism and Interdependence

- Lijphart, A. (1985). Non-majoritarian Democracy: A Comparison of Federal and Consociational Theories, *Publius: The Journal of Federalism*, 15(2), 3-15.
- Bolleyer, N. (2006). Federal Dynamics in Canada, the United States, and Switzerland: How Substates' Internal Organization Affects Intergovernmental Relations, *Publius: The Journal of Federalism* 36(4): 471-502.
- Bolleyer, N. and Thorlakson, L. (2012). Beyond Decentralization—The Comparative Study of Interdependence in Federal Systems, *Publius: The Journal of Federalism* 42(2): 566-591.

February 22: Measuring Decentralization and Federalism

- Rodden, J. (2004). Comparative Federalism and Decentralization: On Meaning and Measurement. *Comparative Politics* 36(4): 481-500.
- Blöchliger, H. and King, D. (2006) Fiscal autonomy of sub-central governments. *OECD Working Papers on Fiscal Federalism*, No. 2, OECD Publishing: Paris.
- Hooghe, L., Marks, G., Schakel, A., Chapman Osterkatz, S., Niedzwiecki, S., and Shair-Rosenfield, S. (2016). *Community, Scale, and Regional Governance: A Postfunctionalist Theory of Governance, Volume II*. Oxford: Oxford University Press.
(Chapters 2 and 3)

March 1: The European Union

- Alesina, A. and Spolaore, E. (1997). On the Number and Size of Nations, *Quarterly Journal of Economics* 107(4): 1027-1056.
- Börzel, T. A. and Hosli, M. O. (2003). Brussels between Bern and Berlin: Comparative Federalism Meets the European Union, *Governance* 16(2): 179-202.
- Hooghe, G and Marks, G. (2003). Unraveling the Central State, But How? Types of Multi-level Governance, *American Political Science Review* 97(02): 233-243.
- Kincaid, J. (1999). Confederal Federalism and Citizen Representation in the European Union, *West European Politics* 22(2): 34-58.

Springbreak

PART III: OUTCOMES

March 15: Does Decentralization Constrain Leviathan?

- Brennan, G., and Buchanan, J. M. (1980). *The Power to Tax: Analytic Foundations of a Fiscal Constitution*. Cambridge: Cambridge University Press. (Chapter 9)
- Crowley, G. R. and Sobel, R. S. (2011). Does Fiscal Decentralization Constrain Leviathan? New Evidence from Local Property Tax Competition, *Public Choice* 149(1-2): 5-30.
- Stein, E. (1999). Fiscal Decentralization and Government Size in Latin America, *Journal of Applied Economics* 2(2): 357-91.
- Rodden, J. (2003). Reviving Leviathan: Fiscal Federalism and the Growth of Government, *International Organization* 57(04): 695-729.

March 22: Is There a Race-to-the-bottom in Social Policy?

- Pierson, P. (1995). Fragmented Welfare States: Federal Institutions and the Development of Social Policy, *Governance* 8(4): 449-7.
- Bailey, M. A. and Rom, M. C. (2004). A Wider Race? Interstate Competition Across Health and Welfare Programs, *Journal of Politics* 66(2): 326-347.
- Berry, W. D., Fording, R. C. and Hanson, R. L. (2003). Reassessing the “Race To The bottom” in State Welfare Policy, *Journal of Politics* 65(2): 327-349.
- Kleider, H. (2016). Redistributive Policies in Decentralized Systems: Explaining the Effect of Decentralization on Subnational Welfare Spending. *Unpublished Manuscript*.

March 29: Veto Points or Laboratories of Democracy?

- Obinger, H., Leibfried, S. and Castles, F.G. (2006). *Federalism and the Welfare State: New World and European Experiences*. Cambridge: Cambridge University Press. (Selected Chapters)

- Maioni, A. (1998). *Parting at the Crossroads: The Emergence of Health Insurance in the United States and Canada*. Princeton, NJ: Princeton University Press. (Selected Chapters)

April 5: Accountability in Decentralized Systems

- Faguet, J. P. (2004). Does Decentralization Increase Government Responsiveness to Local Needs?: Evidence from Bolivia, *Journal of Public Economics* 88(3): 867-893.
- Niedzwiecki, S. (2016). Social Policies, Attribution of Responsibility, and Political Alignments A Subnational Analysis of Argentina and Brazil, *Comparative Political Studies* 49(4): 457-498.
- Shah, A. (1999). Balance, Accountability, and Responsiveness: Lessons about Decentralization. *World Bank Policy Research Working Paper* 2021.
- Léon, S. and Orriols, L. (2016). Asymmetric Federalism and Economic Voting, *European Journal of Political Research* 55(4): 847-865

April 12: Conflict in Decentralized Systems

- Norris, P. (2008). *Driving democracy. Do Power-Sharing Institutions Work?*, Cambridge: Cambridge University Press. (Chapter 7)
- Eaton, K. (2006). The Downside of Decentralization: Armed Clientelism in Colombia, *Security Studies* 15(4): 533-562.
- Erk, J. and Anderson, L. (2009). The Paradox of Federalism: Does Self-Rule Accommodate or Exacerbate Ethnic Divisions?, *Regional & Federal Studies* 19(2): 191-202.
- Bakke, K. M. and Wibbels, E. (2006). Diversity, Disparity, and Civil Conflict in Federal States, *World Politics* 59(1): 1-50.

April 19: Presentation of Research papers

April 26: No class, ECPR Workshop “The Spatial Reconfiguration of Public Policy in Multi-Level Systems”