

Federalism in Context: Laying the Foundations for a Problem-Driven Process of Political Reform

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Outline

1. Federalism in the context of other types of political reform
2. Three basic principles of political reform
3. Defining centralization & decentralization in the administrative and political spheres
4. The Philippines and its neighbors
5. Concluding analysis: Enduring dynamism; a central paradox; critical preconditions; and reconciling local and national values

PART I

Federalism in the context of
other types of political reform



Three basic decisions of democratic political reform (diversely mixed & matched around the world)

- I. Central-local relations: unitary or federal?
- II. Representational Structures: presidential, parliamentary, or a hybrid of the two?
- III. Electoral System: Plurality, Proportional Representation, Party List, or some combination of the above?

Three **distinct** (yet interrelated) decisions

Mixings and Matchings Across the 3 Decisions (electoral system as noted)

I.A. *Federal Presidential*

- The United States (First Past the Post, Electoral College)
- Brazil (Proportional Representation, Two-Round System for presidency)
- Mexico (mixed FPTP & PR)

I.B. *Federal Semi-Presidential*

- Germany (mixed FPTP & PR)
- Russia (mixed FPTP & PR, TRS for presidency)

Mixings and Matchings Across the 3 Decisions (electoral system as noted)

I.C. Federal Parliamentary

- Australia (preferential, variant of PR)
- Canada (FPTP)
- India (FPTP)

II.A. Unitary Presidential

- The Philippines (FPTP, Party List, multi-member plurality, no TRS for presidency)
- Indonesia (PR, TRS for presidency)
- Chile (PR, TRS for presidency)

Mixing and Matching Across the 3 Decisions (electoral system as noted)

II.B. *Unitary Semi-Presidential*

- France (TRS for parliament and presidency)
- South Korea (mixed FPTP and PR)
- Taiwan (mixed single non-transferrable vote in multi-member districts and PR)

II.C. *Unitary Parliamentary*

- Japan (mixed FPTP and PR)
- United Kingdom (fully a unitary system prior to Scottish devolution, now hybrid) (FPTP)

PART II

Three basic principles of
political reform

3 Basic Principles of Political Reform (with 3 corresponding basic questions)

Principle 1:

- Study and understand the pre-existing conditions.
- There is no one-size-fits-all reform. Each country has its own distinctive historical configurations of power and authority.

Question 1: What are the basic problems needing to be solved? (Rather than: here is the clearly obvious preferred solution—what are the problems that might justify its promulgation?)

3 Basic Principles of Political Reform (with 3 corresponding basic questions)

Principle 2:

- Understand the nature of the underlying political institutions, especially the two critical institutions of the bureaucracy and political parties.
- If both are weak, whatever is constructed may end up being unstable. (A bit like constructing a house on shifting sands?)

Question 2: What is the underlying capacity of the administrative system (the bureaucracy) and political system (through political parties able to aggregate societal demands and present coherent policies in the public sphere)?

3 Basic Principles of Political Reform (with 3 corresponding basic questions)

Principle 3:

- Recognize and anticipate unintended consequences.
- The bigger the reform, the bigger are likely to be the risks of unintended consequences.

Question 3: Are there smaller—and hopefully more predictable—reform solutions that could perhaps resolve the problems that have been identified?

PART III

Defining centralization &
decentralization in the
administrative and political
spheres



Reshaping the Territorial Basis of the State: Decentralization and Federalism

The *key initial question*, prior to undertaking reform: How centralized or decentralized do the political leaders and the citizens want the polity to become?

For conceptual purposes, useful to consider two extremes at either end of a continuum...

Two polar extremes of central-local relations (not found in the real world)

“Total decentralization would require the withering away of the state, whereas total centralization would imperil the state’s capacity to perform its functions.”

--James Fesler, 1968

Thus, again, the key initial question:

Where along this broad continuum do political reform entrepreneurs want their country to be?

But how do we define centralization and decentralization?

Short answer: Rough judgments, without precise formulas

Long answer: See Paul D. Hutchcroft, "Centralization and Decentralization in Administration and Politics: Assessing Territorial Dimensions of Authority and Power," *Governance* 14, no. 1 (January 2001): 23-53

Centralization & Decentralization in the Administrative & Political Spheres

Medium-sized answer

Step 1	Step 2	Step 3	Step 4
<ul style="list-style-type: none">• Conceive of two continua, one for the administrative sphere and the other for the political sphere	<ul style="list-style-type: none">• Specify key factors defining centralization and decentralization within each continuum	<ul style="list-style-type: none">• Combine the two continua in a single 2x2 matrix	<ul style="list-style-type: none">• Place countries within the matrix and analyse the complex interplay between the two spheres. Note changes over time in where countries are placed.

Administrative Centralization vs. Decentralization

To summarize a more complex discussion, two key factors here are whether:

1. There is a strong central agency (usually Interior Ministry) able to control and/or supervise the activities of regional & local units & officials, particularly in matters related to fiscal and coercive affairs (money and guns)
2. There has been the devolution (not mere deconcentration) of authority to local levels

[Conceptual Interlude]

Deconcentration: The intra-organizational transfer of particular functions and workloads from the central government to its regional or local offices.

Devolution: the much more extensive transfer of decision-making authority and responsibility to local government bodies.

Let it further be noted: The corporate status of these local bodies is commonly constitutionally guaranteed in a federal system, and legislatively granted in a unitary polity.

Political

Centralization vs. Decentralization

To again summarise a more complex discussion, three of the ten key factors:

1. Are local executives appointed by the center or elected by popular vote?
2. Are there strong bosses at local levels, combining economic and coercive power?
3. Are there cohesive and well-disciplined national political parties that curb localist tendencies?

PART IV

The Philippines and Its neighbors

Unitary Thailand

- Very strong Interior Ministry, largely controlling administration of the provinces
- Devolution (even in the free-wheeling 1990s) was limited to the *tambon* subdistrict level (below province and district)
- Appointment (not election) of governors, district officers. *Tambon* and village leaders elected but “in the Min. of Interior’s line of command” (Nelson 2002)
- Local bosses but restricted coercive capacity cf. Phils.
- Weak (often regionally based) parties until the era of Thaksin

Unitary Indonesia

- Ministry of Home Affairs remains very influential
- Extensive devolution in the “big bang” decentralization of 2001, but bypassed provinces in favor of subprovincial level
- Since 2005, direct popular election of governors and mayors (almost reversed 2014-2015)
- Local patrons but comparatively few local bosses
- Political parties required to be national in scope (Aceh excepted)

Federal Malaysia

- Ministry of Home Affairs very strong
- A highly centralized form of federalism
- No local government elections since 1964 (voters elect only members of national parliament and state assemblies)
- Local “kingpins” rather than local bosses
- One dominant national political party since 1957 (state parties in Sabah and Sarawak but generally clear alliances with national)

Unitary Philippines

- Enforcement of performance criteria a recent innovation for DILG (SGH, SGLG, FDP)
- Major devolution in 1991 Local Government Code
- Very extensive opportunities to vote for local execs (as well as local legislatures). Election of mayors since 1901 and governors since 1902
- Longstanding tradition of bossism in many (but certainly not all) localities
- Parties tend to be national in scope, but the most well-developed political organizations tend to be found at city and provincial levels

Federalism in ASEAN

<i>Malaysia</i>	<i>Burma/Myanmar</i>	<i>Indonesia</i>
<ul style="list-style-type: none">• The only federal system in ASEAN, but among the most centralized polities• States often complain about being short-changed by the federal government in Kuala Lumpur	<ul style="list-style-type: none">• While formally the Union of Myanmar, a unitary state	<ul style="list-style-type: none">• Historical aversion to federalism, which is associated with Dutch colonizers and traditionally viewed as an affront to national territorial integrity• Although a unitary system, more decentralized than federal Malaysia

3 (of many) federalism scenarios for the Philippines

1. A means of promoting greater *centralization*:

- Via the Malaysia model, where extensive authority lies with the central government.
- This model would also involve ending election of local chief executives and local councils.

3 (of many) federalism scenarios for the Philippines

2. A means of promoting “*mid-levelization*”:

- concentrate authority in 10-12 states, abolish all 81 provinces

3 (of many) federalism scenarios for the Philippines

3. A means of promoting greater *decentralization* to what is now the provincial level:

- devolve authority to 81 states, which might then absorb non-component cities?

Etc. etc. etc.

PART V

Concluding analysis:

Enduring dynamism, a central paradox, critical preconditions, reconciling local and national values

Federalism as an ever-evolving dynamic system

Critical to the establishment of a federal system is developing rules on such matters as:

- Delineation of boundaries (to establish viable units of local self-government)
- Determination of which government responsibilities remain at federal level and which are devolved to the states
- Democratic selection of national and local officials
- Territorial division of police and other security functions

Federalism as an ever-evolving dynamic system (continued)

- Division of responsibilities, from fiscal to judicial
- Auditing of fiscal practices, upholding anti-corruption standards
- National grants to impoverished areas; upholding minimal standards of health, education, & welfare (amid uneven success of states in adapting to a federal system)

Even after the federal system has been established, these rules can be continually renegotiated. Example: evolution of U.S. federalism

The paradox of decentralization (and federalism)

“One of the most curious aspects of decentralization is the responsibility that a national government must assume to assure the realization that decentralization, as doctrinally advocated, is supposed to serve.”

--James Fesler, 1965

Paradoxically, decentralization requires a strong and capable central state able to enforce the rules by which authority is being devolved to the subnational level.

The importance of effective state bureaucracies

- Federalism also requires a basic level of administrative capacity across the constituent subnational states
 - If there are to be 10-12 DBMs, 10-12 NEDAs, 10-12 DPWHs, 10-12 DOTs, 10-12 DAs, 10-12 DTIs, etc. (plus perhaps 10-12 COAs, 10-12 COMELECTs, 10-12 CSCs?), each state must have the means to recruit and retain high-quality public servants
- Can this process of bureaucratic strengthening begin now, working with bureaucracies already devolved to the regional level?
- Could also consider concomitant strengthening of the existing RDCs, in preparation for federalism

Balancing of values that anchor both local and national communities

Kjellberg (1995) argues the need to view central-local relations as an interconnected system of governance, with two sets of values (local and national) that both rival and complement each other.

Local values: autonomy to set local community priorities, citizen participation in local affairs, and the efficiency gains that come from giving local communities capacity to deal with local issues

Balancing of values that anchor both local and national communities

National values: the need for “central steering” to support national goals. These goals include upholding the rule of law, ensuring that public funds are efficiently utilized, promoting equity across regions, and maintaining macroeconomic stability (i.e., guarding against profligate local governments).

Key point: Federal or unitary, there are no easy answers and a stable equilibrium is likely to be elusive—especially in the absence of effective “central steering.”

Naa ba'y pangutana?

DAGHANG SALAMAT!