

# **Multilevel Governance and The State**

**Arjan H. Schakel**  
**Maastricht University**

**Liesbet Hooghe**  
**UNC Chapel Hill and VU Amsterdam**

**Gary Marks**  
**UNC Chapel Hill and VU Amsterdam**

Word count: 8,539 excluding figures.

Paper prepared for presentation at "Transformations of the State," Hanse-Wissenschaftskolleg, November 3-5, 2011.

## **Win, stay; lose, change**

The source of Europe's experiments with its political structure lies in the realization after the second World War that its states system and its vaunted balance of power had proven to be an unimaginable disaster. Not one of the six founding states of the European Economic Community was able to protect its population from military defeat and foreign occupation during the War. Institutions that were considered utopian before the war now seemed worth trying.

The past 60 years has witnessed an unprecedented transformation of authoritative decision-making in Europe. Authority—the competence to make binding decisions that are regarded as legitimate—has shifted to the European level and has been devolved to subnational authorities even in countries which do not harbor national minorities (Hooghe et al. 2010; Loughlin 2001).

The centralization of authority in a continental polity and the decentralization of authority in regions has generated an extensive literature. They agree that the standard toolkit of political scientists cannot fully grasp what is going on. The European Union appears to break the mold of the state, but is not a state itself. Rather, in Stephan Leibfried's vision, it is akin to a ship with a single hull but masted with national flags. Interpreted hull up, it is supranational; from masts down, it is intergovernmental, a confederation of states (Leibfried et al. 2009). The EU is 'less than a state, but more than an international organization' (Sbragia 1992), a "composite" polity (Tarrow 2001), a 'condominio' or 'consortio' (Schmitter 1996), a 'regulatory state' (Majone 1996), a 'post-modern state' (Caporaso 1996), or a 'compound polity' (Fabbrini 2007). Decentralization in countries such as France, Italy, Spain, or the UK is a clear departure from a unitary national state, but is less than federal. The outcome is described as quasi-unitary, quasi-federal, or federalizing, terms that take one into the grey area between single and divided sovereignty.

The two literatures meet around the idea that authority has become multi-layered, but beyond this lies disagreement. What is the logic of decision making in this new (dis)order? What (or who) is driving the process? And, what does this mean for the state itself?

In the next section we draw on theories of European integration to position ourselves on these questions before providing a comparative overview of how the locus of authoritative decision making has shifted since the mid-twentieth century. We then engage the principal explanations, and conclude by exploring the implications for the state and national sovereignty.

## **Theories of European Integration**

The fundamental justification for international governance is that interaction among national communities creates problems that require collective decision making among states. The diversity of such problems is no less than the scope of interaction. So according to this functional line of thinking, international governance in general, and European integration in particular, are driven by the demand for problem solving.

However, governance is also an expression of community. Citizens care—passionately—about who exercises authority over them. The functional need for human co-operation rarely coincides with the territorial scope of community. The

tension in international governance is that the demand for national sovereignty, for national control over decision making, is at odds with effective joint decision making. Communities demand self rule, and the preference for self rule is almost always inconsistent with the functional demand for supranationalism. This tension has shaped European integration and the fate of the national state.

The early theorists of European integration understandably focused on the functional aspects of regime formation. While some influential political leaders such as Jean Monnet or Walter Hallstein wanted to create a supranational polity, they realized that they were in a minority and could not achieve their goals by appealing to an emergent European identity. Their strategy and the strategy of integrationists who followed them was to mobilize support for concrete projects.

The early theorists of regional integration based themselves on functionalism, which hypothesizes that jurisdictional reform is brought about by a mismatch between the international scale of human problems and the national scale of states. Neofunctionalists were puzzled by the speed and breadth of regional integration in Europe in the 1950s and 1960s. How, they asked, could rapid jurisdictional reform take place among embedded national states? They identified several political processes that intervened between functionality and the structure of authority. Jurisdictional reform had to be initiated and driven by transnational interest groups demanding supranational authority to reap (mainly economic) benefits. Once set in motion, the process was self-reinforcing. As integration deepened and supranational institutions gained power, so more transnational interests would be drawn to the supranational level. Supranational actors would themselves demand more authority. Progress in one area would give rise to pressures for integration in other areas. Transnational mobilization, supranational activism, and policy spillover intervene between sectoral pressures for jurisdictional reform and institutional outcomes (Haas 1958; Standholtz and Stone Sweet 1998).

After the debacle of Charles de Gaulle's opposition to supranationalism and the empty chair crisis of 1965-66, neofunctionalist predictions appeared too rosy. The most influential alternative approach—intergovernmentalism—describes a family of theories that conceive regional integration as an outcome of bargaining among national states. The puzzle was not the speed or breadth of regional integration, but the decision of national states to create an international regime in the first place. Given their power and resources, why should states pool authority? Hoffmann argued that states would not swim far in supranational waters. They might be prepared to integrate on matters of low politics if the gains were evident, but on many issues, including those that engage national sovereignty, 'Ambiguity may arouse and stiffen national consciousness into nationalism' (Hoffmann 1966, 882; see also Rosamond 2000, 78).

The main intergovernmental line was to bring regional integration back into the realm of 'normal' international relations theory. The authority exercised by European institutions is pooled or delegated by the member states to make commitments more credible (Keohane and Hoffmann 1991, 277). Intergovernmentalists link national preference formation to strategic bargaining between states in a two-level game. National interests are framed in domestic political conflict and, once formulated, are bargained in intergovernmental fora (Moravscik 1998).

The debate between neo-functionalism and liberal intergovernmentalism was interlaced with a discussion about the nature of the beast (Risse 1996) and, by implication, about the appropriate categories of analysis (Hix 1994; Hurrell and Menon 1996; Jordan 2001; Wallace and Wallace 2006). Is European integration best conceived as a means for coping with international interdependence or is more to be gained from analysing the European Union as a federal polity? Should one use the language of international relations, or the language of comparative politics?

To understand Europe's jurisdictional architecture, scholars borrowed ideas from comparative politics (Caporaso 1996; Heritier 1996; Leibfried and Pierson 1995; Majone 1994; Peterson 1995; Pierson 1996; Pollack 1995; Sbragia 1993; Tarrow 1995; Tsebelis 1994). Fritz Scharpf was one of the first to do so in an influential article, published in 1988, in which he drew on his prior analysis of German federalism to show how divergent national interests under EU membership could lead to a joint decision trap, preventing national governments from making policy while blocking the European Union from taking joint decisions. Scharpf avoided taking a position on whether the EU was a state or an international organization, but his analysis challenged the core tenet of intergovernmentalism, that national governments control policy outcomes.

In the late 1990s, the debate on Europe's jurisdictional architecture debate converged on the view that European integration had transformed a network of sovereign national states into a system of multilevel governance (Bache and Flinders 2004; Benz 2003; Börzel and Hosli 2003; Hooghe and Marks 2001; Jachtenfuchs 2001; Kohler-Koch and Eising 1999; Marks et al. 1996; Scharpf 1997). Literature on multilevel governance extends the notion of reallocation of authority to decision making within, as well as among, national states. There are (almost) as many definitions of multilevel governance as there are users of the term, but common to all is the idea that authority on a broad swathe of issues has come to be shared across EU institutions, national, and subnational governments.

## **Multilevel Authority**

Figure 1 reveals how formal rules concerning national/EU decision making across 18 policy areas have evolved over six treaties, as charted by Tanja Börzel (2005). Breadth of integration refers to the range of policies or tasks for which the EU plays a role; depth of integration refers to the supranational or intergovernmental character of the decision rules. There is wide variation across policy areas, as suggested in the size of the box plots representing the 5 to 95 per cent range for breadth and depth. As one would expect, policies that redistribute income among individuals are handled almost exclusively within national states, whereas policies having to do with trade and market integration are handled almost exclusively at the European level. A startling fact about the pattern revealed in Figure 1 is that there is not one case where a policy has been shifted from the European to the national level, nor is there a case where a policy that was supranational has become intergovernmental. At least up to this point in time, the development of European governance has been unidirectional.

[Figure 1 about here]

Figure 2 charts regional reform in 42 EU and OECD countries from 1950 to 2006. The bars above the line represent reforms that increase the authority of regional governments in their own territories or their capacity to co-determine decisions in

their respective countries. Of 31 OECD and EU countries that saw reform, 29 have become more regionalized. Eighty-six per cent of the reforms of regional government in figure 2 increased regional authority. Fifteen additional levels of regional government have been established, and not one disestablished. The number of elected regional assemblies has increased from 16 to 31.

As the EU has enlarged, average regional authority has declined as unitary and relatively centralized countries have joined the EU. Moreover, variation across regions shows no signs of declining over time. Some countries have no regional level. Others have authoritative regional governments that play a decisive role not only in their respective regions but also in the country as a whole. Of the 27 member states of the EU, six have no regional tier, ten have a single tier, ten have two regional tiers, and one, Germany, has three.<sup>1</sup> There has been no convergence in regional government but, rather, continuing and wide divergence.

[Figure 2 about here]

Yet this has been an era of subnational empowerment. The scale of change becomes apparent only when one escapes methodological nationalism, which boils regional government down to the categories of the unitary state, confederalism, and federalism. Few countries jumped from one category to another, but many have engineered basic reform.

So regionalization is similar to Europeanization in that it is a coherent process of change – not a series of independent bargains. Figures 1 and 2 give credence to the claim that the jurisdictional architecture of Europe has become multilevel. But what are its causes, and what does this mean for the state in Europe? Over the past two decades research on Europe has engaged each of these questions.

### **Explaining Multilevel Authority**

Three literatures theorize the structure of government, and each provides a line of sight into the transformation of authoritative decision making over the past half century. Public goods theory conceives government as a means to provide public goods that would not be produced by the market or by rational citizens acting independently (Hobbes [1651] 1960; Oates 1972). The structure of government will then reflect the efficient production of public goods given their economies of scale and externalities. Pressure for reform arises in the tension between actual and efficient government structure. Second, government is conceived as a means to enforce distributional outcomes (Marx [1867] 2009; North 1990). The structure of government will then reflect the distribution of power in society. Third, government is an expression of community and the demand for self-rule on the part of normatively distinct, territorially based groups (Aristotle [384BC] 1959; Deutsch 1953; Laitin 1998). The structure of government will then reflect the pattern of community; pressure for reform will arise when they diverge.

---

<sup>1</sup> Defined as a general purpose tier with an average population  $\geq 150,000$ .

## Public Goods

The first approach builds on the theory of public good provision in which efficient public goods provision a) minimizes positive and negative externalities, b) exploits scale economies, and c) tailors policy to the heterogeneous preferences of those living in different communities (Oates 1972; Bolton and Roland 1997; Alesina and Spolaore 2003; Breuss and Eller 2004; Oates 1999; 2005; Hooghe and Marks 2009a; Geys and Konrad 2010; Treisman 2007). Where the externalities and scale economies that arise from a problem such as providing clean air, minimising monetary transaction costs, or reducing trade barriers, are transnational in scope, the most efficient level of decision making is similarly transnational. Where the externalities and scale economies are local or regional, as for garbage collection or land-use planning, the most efficient level is subnational.<sup>2</sup>

Multilevel governance should be very common since the externalities and scale effects of most policies provided by government – e.g. health, education, economic development, spatial planning, environment and welfare services – are diverse. So one would expect some policies to be decentralized and others to be centrally provided (Ahmad et al. 1997; Hooghe and Marks 2009b; Shah 2006).

During and immediately after World War II, authority was packaged in highly centralised states by the overriding need to mobilise resources for war and to survive scarcity. In the post-Second World War era, functional pressure for regionalization resulted from a double shift in policy portfolios, away from national war making and towards new policies related to economic growth, trade, and welfare with widely varying externalities and economies of scale and which, as a result, are best conducted at diverse territorial scales. The change was not immediately evident because, in the years following the war, central states were called upon to distribute scarcity and to mobilize resources, human and financial, to rebuild battered economies. Moreover, jurisdictional arrangements are sticky – one must expect a serious lag between change in the environment and change in the structure of government.

Most policy areas that have been shifted to the European level follow a functional logic rooted in the territorial scope of their externalities and scale economies. This applies to policies concerned with trade, transport, energy, and competition, in which the initial steps toward integration were taken in 1957. In the early decades of the EEC, integration in social and industrial policy were spillovers arising from economic integration. In addition, the European Commission played a significant role in international trade negotiations, where the benefits of scale are transparent. This is a field in which the European Union can be considered a great

---

<sup>2</sup> Ter-Minassian (1997, 6) observes that “Most countries assign such functions as defense, foreign affairs, foreign trade, and regulation of immigration to the central (federal) level. At the other end of the spectrum, services such as local police, fire protection, sanitation, transportation, and certain utilities are typically assigned to the municipal or county level”. Concurrent powers can be found with respect to social welfare, education, and health, policy areas in which central government assumes a regulatory and financing role whereas regional and local authorities often are responsible for provision of these services (Ter-Minassian 1997, 7). Similarly, Swenden (2006) evaluates three theories on competence assignment in six federal and regionalized states and concludes that the “... functional theory of federalism has a higher predictive value ...” (p. 103).

power (Drezner 2007) and it is the first policy area in Figure 3 which is coded as European only.

(Figure 3 about here)

Subsequent European integration in the fields of the environment, research, and immigration also have a functional logic. However a functional explanation gets us only so far. Some policy shifts involve political side-payments. These include regional and cohesion policy and agricultural subsidies (Alesina et al. 2005). The European Commission defends regional policy on efficiency grounds, but a survey of Commission officials finds that a majority would favor re-nationalization of the European Union's agricultural policy and regional policy as one of the least favored for further centralization (Kassim et al. 2012).

Moreover, Europeanisation does not encompass all policy areas for which there are collective functional benefits, such as defence procurement (Breuss and Eller 2004). Most of the exceptions can be explained by the distributional consequences of Europeanisation and the capacity of potential losers, be they national governments or domestic interests, to block reform. While neo-functional accounts emphasise spillovers, intergovernmentalists highlight the distributional impediments to international cooperation. But neither predicts the constraining impact of mass publics – a development which, as we discuss below, has exerted a serious drag on integration.

Multilevel governance conceives European integration as part of a broader process of authority dispersion, which stretches beneath as well as above the central state (Börzel and Hosli 2003; Christiansen and Jørgensen 2000; Jeffery 1997; Morata 1992; Schmidt 1999). The existence of an overarching European market eliminates the fear that regional autonomy would result in small, inefficient economic units that might be denied access to former markets (Jolly 2007; Piattoni 2009). This has emboldened demands for independence on the part of minority nations. Why not gain the benefit of flexibility and responsiveness in a small jurisdiction without losing access to a continental-sized market?<sup>3</sup> Moreover, the European Union domesticates international relations in a rule-bound polity, and gives small states greater leverage than they would have in a classic Westphalian system.

The effects are indirect because the European Union has no authority over subnational relations in its member states. Strong regional governments, such as the German *Länder* and Spanish *autonomas comunidades*, are well placed to gain influence in European decision making, but they also have the most to lose when authority is reallocated to Europe (Bache and Jones 2000; Bourne 2003; Hooghe 1996; Jeffery, 2000; Marks 1996; Piattoni 2009; Scherpereel 2010). The European Commission has kick-started regional government in some formerly centralized states through its cohesion policy, which funds economic development in poor EU regions (Brusis 2002). Greece, Hungary, Ireland, Poland, and Slovakia have regionalized in part to gain access to EU funding. However, subnational actors merely implement EU

---

<sup>3</sup> A recent report on Welsh independence claims that per capita income would be as much as 39 percent higher in Wales had the country achieved independence in 1990. The argument is that small EU countries have grown more than larger ones in the last two decades because they the advantages of flexibility with “ the EU's flotilla-like structure” (Price 2011).

policy in centralized countries (Bache 1999; Kettunen and Kungla 2005). In federations and countries with a strong regional tier, EU integration has generally led to more co-operation, rather than competition, between regions and central government (Börzel 2002; Tatham 2007; forthcoming). The Committee of the Regions, a consultative assembly of subnational leaders across the EU, has issued a *Charter for Multilevel Governance* which sets out principles and methods for involving regions in national and European decision making. The goal is ‘Europe *with* the regions’ not ‘Europe *of* the regions’.

Multivariate analysis suggests that the effect of Europe integration on subnational authority is muted (Schakel 2009a). Regionalization appears to be more powerfully influenced by the logic of policy making in advanced capitalist society. Regional authority was almost frozen in the years immediately following the Second World War, but from the 1970s there was a torrent of reform strengthening regional government (Figure 2). This process of regionalization parallels the growth of government responsibility for welfare, microeconomic, environmental, educational, health, and transport policy (Agranoff 2008; Loughlin 2007; Sharpe 1993). These policies extend the reach of the central state, but, unlike war, they do not compress policy making to the national level. On the contrary, each of these policies has diverse externalities and economies of scale and, as a result, are most efficiently delivered at the local and regional levels as well as by central government (Braun 2000; Osterkamp and Eller 2003; Schakel 2010; Ter-Minassian 1997).

## **Distributional Conflict**

The first attempts to predict the effect of distributional struggle on the structure of government were rooted in the state as an instrument for fairness and redistribution. The left, representing individuals and groups with below median income, fought to sustain the national state because it alone had the legitimacy and authority to shape society, whereas the right, representing higher income groups, sought to shift decision making up, or down, to levels of government less able to constrain the market.

At the European level, neoliberals have indeed sought to insulate markets from political interference by combining European-wide market integration with minimal European regulation. Neoliberals and their allies on the economic right want a single market within which national states compete for mobile factors by providing attractive regulatory regimes. They oppose the creation of authoritative European institutions beyond those necessary to sustain market competition.

Left parties were understandably the chief concern of early integrators, including Jean Monnet, who realized that such parties might resist functional economic integration on distributional grounds. Monnet made every effort to persuade socialist party and trade union leaders that European integration deserved their support. The debate on European integration was still raging among French and British socialists in the early 1980s. However, most socialists eventually came to the conclusion that, if exit was impossible, they should try to extend the scope of integration to include distributional policies.

Mainstream social democratic and centrist political parties, social movements, and trade unions have tried to build authority at the European level by empowering the European parliament and creating an *espace organisé*, a peoples' Europe based on social reform and partnership among public and private actors. This was consistent

with the finding that social policy was being developed beyond the national state (Leibfried and Pierson 1995) and that European developments reflected a clash of capitalisms (Crouch and Streeck 1997; Rhodes and van Apeldoorn 1997). The idea was to create redistributive capacity at the European level, without constraining redistribution and other social democratic policies at the national level.

Distribution of power may also impact decentralization within the state. The case of Italy provides a good example. A constitutional basis for statewide regional government was recognized in the 1948 Constitution for Italy, however, decentralized structures were set up for five special regions only. At the time when the Constitution was drafted, the Christian democrats favored regionalization because it was consistent with the social Catholic doctrine of subsidiarity. The communists opposed decentralization because they believed that centralization would foster economic growth. However, both camps reversed their positions shortly after the proclamation of the 1948 Constitution. The communists were excluded from national government and looked to regional government as an alternative arena (Amoretti 2004, 186-7). The Christian democrats feared that several regions in north-central Italy would be lost to communist rule (Putnam 1993, 19-20). Regional governments were established in the rest of Italy in 1970 when the Christian democrats needed to form a coalition with the Italian socialist party. Nevertheless, about one-quarter of legislation emanating from regional government was vetoed by the central administration during the first five years of decentralized government (Putnam 1993, 21).

Given that neither the left nor the right has managed to achieve durable political hegemony at the continental level, and given high decisional barriers for institutional innovation, the struggle over economic redistribution has not done much to deepen integration. The main thrust of integration has been functional, not redistributive. However, functionalism is opaque. Does the denial of equal pay for women, or of political rights for immigrants, in one part of the Union ‘affect’ citizens in another part? This invites a debate about the implications of cohesion in a political community, a debate that is fundamental to the left/right divide.

The front line of redistributive conflict in the EU is in the application of European-wide regulation in areas such as social policy and environmental policy (Caporaso 2000; Falkner 1998; Leibfried and Pierson 1995; Sbragia 1996). The Court has created extensive case law on gender equality, regional equality, the family, and protection of the environment (Chicowski 2004). James Caporaso and Sidney Tarrow (2009, 614) observe that ‘social policy is already “here” in the EU,’ in that market and social policy are increasingly meshed with regulatory and redistributive politics. ECJ decisions have interpreted Treaty language on labor mobility to create limited European-wide social rights on health care and pensions, which had hitherto been exclusively national.

This takes issue with those who argue that the EU is an agent for neoliberalism, that the ECJ is biased towards negative market integration, and that national social regimes have been eroded by European integration (Van Apeldoorn 2008; Cerny 2008; Scharpf 1999). Instead, Caporaso and Tarrow diagnose that “the movement to free European markets and the countermovement against it are both present in ECJ decision making” (Caporaso and Tarrow 2009, 615). In this view, the ECJ is neither neoliberal nor social-democratic. It is both; its decisions promote both transnational capitalism and social embedding.

## Community

Government is palpably shaped by demands on the part of communities to rule themselves. Communities – bounded groups of densely interacting humans sharing distinctive cultural norms – may wish to exercise self-rule so that laws are not imposed from the outside. Friction between national law and minority norms can generate potent demands for jurisdictional reform. Lipset and Rokkan (1967) summarize this as a centre–periphery cleavage, a durable and sometimes violent clash between peripheral communities and state-builders.

Functionalists and neo-functionalists alike stressed the constraining effects of national identity on integration. “We are favored by the need and the habit of material cooperation; we are hampered by the general clinging to political segregation. How to reconcile these two trends, both of them natural and both of them active, is the main problem for political invention at this juncture of history” (Mitrany 1948 [1966], 151). But they believed that national identity would ultimately give way to a more encompassing loyalty. In one of the first analyses of public opinion on European integration, Ronald Inglehart predicted that a shift of loyalties was a matter of generational replacement. Younger cohorts, he argued, were being socialized in societies where nationalism was discredited and where supranational institutions were providing an expanding range of collective goods (Inglehart 1970, 182–190). Recent research arrives at a different verdict: national identity remains a supremely powerful constraint on preferences concerning the level of European integration (Carey 2002; Hooghe and Marks 2005; McLaren 2002; Hermann, Brewer and Risse 2004). This is true both for political parties and for the general public.

Populism brings identity into the heart of decision making about Europe. In most European countries, governments have come to realize that they need the formal acquiescence of their publics in referendums to go ahead with European reform. Parliamentary votes are not deemed sufficient. Public referendums are required, even in countries, such as the UK and the Netherlands, where the parliament is formally supreme. No scholar or practitioner predicted this. Because European integration has transformed democratic politics in its member states, the process of European integration has itself been transformed.

Referendums side-line political parties because they divorce preferences over a single decision—e.g. to join the EU, or not; to have a Constitutional Treaty, or not—from the context of party representation in parliament or party control of government. In national elections, party leaders can squash internal dissent on the ground that it implies that a party is ineffective and therefore not worth voting for. Referendums, by contrast, weaken the control of party leaders, create dissension within parties, and empower single issue entrepreneurs.

The presence of ethnic or territorial minorities and their effect on jurisdictional design within the state is widely acknowledged in the literature. Many minority communities have been assimilated into nations, yet most nations co-exist with minority communities that retain distinct norms rooted in language, religion, or ethnicity (Dikshit 1975; Duchacek 1970; Keating 1998; Loughlin 2001; Brancati 2008; Smith 1995; Rose and Traut 2002; Amoretti and Bermeo 2004). Demands for self-rule have intensified with the decline in the share of the vote going to major parties and the growth of regional parties. The average regional vote share for regionalist parties in national elections in 11 countries surveyed by Massetti and

Schakel (2011) has increased from 4.9 percent in the 1970s to 8.9 percent in the 2000s (see also Brancati 2008; De Winter et al. 2006).

## **GOOD-BYE TO NATIONAL SOVEREIGNTY?**

The empirical evidence presented in this chapter gives credence to the claim that the jurisdictional architecture of the EU-polity has become multilevel and that the structure of government reflects a tension between functional pressures and identity (Hooghe and Marks 2009a; Schakel 2009b). But one could equally assert that national states remain the ultimate arbiters of authority and that, as a result, they retain sovereignty.

The notion that states remain sovereign is particularly problematic for what legal and political theorists call internal sovereignty, the capacity of the central state to serve as the ultimate authority within its borders. Internal sovereignty has always been divided in federal states, which are defined by the capacity of their constituent units to veto constitutional change. Watts (2008, 169) observes that the fundamental principle of federalism would be undermined “if a regional government acting alone had the unilateral right to leave the federation, or the federation had the unilateral right to expel a regional unit.”

The number of federal states in Europe has not changed much over the past six decades, but the federal-unity state dichotomy does not capture the significant decentralization of authority to regional governments that has taken place. In Belgium and Spain, regional governments are now co-responsible for constitutional change, though neither country has a constitution that is explicitly federal. In the United Kingdom, The Government of Wales Act (1999) and Scotland Act (1999) assert that no recommendation shall be made to parliament to revoke or vary the act ‘unless such a draft has also been laid before, and approved by a resolution of, the Assembly’ (or Parliament in Scotland). When one pays attention to the details of constitutional decision making, it is evident that ultimate authority can be complicated in ways that escape the unitary/federal dichotomy. But a constitutional analysis, no matter how detailed, does not provide a balanced account of the reallocation of authority over the past half century. The constitutional powers of regional governments have not changed in the Czech Republic, Denmark, Finland, France, Greece, Ireland, Italy, Poland, Romania, or Slovakia, but in each of these countries the authority of regional governments to shape policy has significantly increased.

External sovereignty, the notion that the state is the commander of last resort in relations with external actors, has also been resistant to change. This is the view of realists who regard international organizations as contracts among national states and legal scholars who regard sovereignty as indivisible. The argument that the national state has not lost external sovereignty focuses on the political limit situation. Sovereignty, in this view, is not the sum of authoritative competences, but ‘the quality of a power that has no superior’ (Combacau 2000). In the last analysis, a member state of the European Union is a member at its own discretion. If it wished, it could exit. In this view, European law bites because the member states voluntarily wish it to do so. Michael Troper, a leading French constitutional scholar, writes that ‘The binding force of European law is not explained as an expression of the will of European authorities. It comes from the French constitution alone and is, therefore, an expression of the will of the French people’ (Troper 2011, 150).

Several national constitutions appear to open the door to fragmented sovereignty. The 1946 Preamble of the French constitution, which remains in force today, maintains that “Subject to reciprocity, France shall consent to the limitations upon its sovereignty necessary to the organization and preservation of peace.’ The Italian constitution agrees in principle to “limitations of sovereignty where they are necessary to allow for a legal system of peace and justice among nations’. However, these statements can be regarded as self-limitations which can always be amended by (national) constitutional processes. This is the line taken by the German Constitutional Court in its 2004 ruling that European law cannot have primacy over the Basic Law if there is a conflict. In a 2006 ruling, the French Constitutional Council ruled that ‘the transposition of a directive may not run counter to a rule or principle inherent in the constitutional identity of France, except when the constituting power consents thereto’ (quoted in Troper 2010, 146).

So far so good. But as Neil MacCormick (2010) notes, exit from the European Union requires negotiation. Who is the ‘commander of last resort’ in the dark and untrodden zone of disentangling a state from the Union?<sup>4</sup> Which body is the ultimate arbiter of disputes that might arise, say in allocating the collective costs of exit or of the moneys that have not been spent? We seem to be confronted with overlapping legal-constitutional orders. According to national law, states are bound by EU law because they confer this right according to their own constitutional rules. According to the European Court of Justice (1963), the ‘Community constitutes a new legal order . . . for the benefit of which the States have limited their sovereign rights, albeit within limited fields.’<sup>5</sup>

The European Union is designed with this in mind. It avoids clashes with its member states by seeking consensus even under majoritarian rules, by allowing derogations to treaty commitments, by legislating by directive, which can be implemented flexibly, by using soft law, in short, by a “flexible combination of cooperation, competition and control” (Benz 2010, 220).

National states remain the most important arenas for the exercise of authority. If any level of government has a claim to sovereignty, it is the national state. National states show no signs of disappearing. But there is evidence that they have shed authority to governments within and without.

The defense of national sovereignty has an unintended consequence. To the extent that it is convincing, national sovereignty is a deceiving guide to political decision making. A member state always has the option of leaving the EU, but the immense cost of this reduces its weight in decision making, including decision making about whether to regard EU law as supreme. There is, in other words, an observational tension between national sovereignty, which can be said to be unaltered, and central state authority, which has changed a lot.

This tension is prefigured in the contract theory of the state and the notion that while the state is authoritative, it is the result of the free choice of its members. Hobbes argued that even though individuals are subject to rules laid down in a compact, they remain in ultimate control of their fate: ‘[A]ll actions which men do in

---

<sup>4</sup> Greenland exited the European Union, but this has little to say about member state exit.

<sup>5</sup> Van Gend and Loos, February 5, 1963.

Commonwealths, for fear of the law, are actions which the doers had liberty to omit' (Hobbes 1960 [1651], ch.21). Hobbes claims that an individual is unfree only if he is physically forced. '[W]hen a man throweth his goods into the sea for fear the ship should sink, he doth it nevertheless very willingly, and may refuse to do it if he will; it is therefore the action of one that was free: so a man sometimes pays his debt, only for fear of imprisonment, which, because no body hindered him from detaining, was the action of a man at liberty'. The implication is that if a state is not coercively forced to remain part of the Union it is sovereign. The point is an important one, though political scientists should also pay attention to how governments (and citizens) actually behave. In the European Union, as in leviathans, the way in which participants act is only remotely linked to how they are forced to act.<sup>6</sup>

The building of modern states in Europe took from two centuries to about seven centuries, depending on what features one includes under the process. Regions in federal countries such as Germany, Austria and heavily regionalized countries such as Italy and Spain were once independent and sovereign units. It is extremely difficult to pin down a point in history at which sovereignty was (partly) transferred from the constituent units to the federal level. By contrast, the period from the foundation of the European Coal and Steel Community to the present is around sixty years, a fact that throws into sharp relief both the extraordinary pace of change in recent decades and the necessarily tentative nature of our attempts to draw definitive conclusions about the process.

---

<sup>6</sup> In communist Russia, constitutional article 72 stated that 'each union republic shall retain the right freely to secede from the USSR', however, this was 'merely a front to create an appearance that union republics were sovereign states' (Bruchis 1998, 123 in Smith 1995, 158). First, the right of secession was emasculated by article 73 which affirmed that the highest bodies of the USSR state authority had the right both to 'determination of that state boundaries of the USSR' and 'settlement of other matters of All-Union importance' (Smith 1995, 158). Second, 'by retaining control over the appointments, promotions and dismissals of local party and state officials in the ethno-regions, the centre was able to ensure the loyalty of the local political leadership, while the established practice of appointing 'outsiders' (usually Russians) to certain key local key positions ..... further reinforced centralized control' (Smith 1995, 158).

## References

- AGRANOFF, RONALD, 2008. Toward an emergent theory of IGR governance at the dawn of the network era. Presented at Transatlantic Dialogue, Am. Soc. Public Admin./Eur. Public Admin. Group, 4th, Milan.
- AHMAD, EHTISHAM, HEWITT, DANIEL, and RUGGIERO, EDGARDO, 1997. Assigning expenditure responsibilities, in *Fiscal federalism in theory and practice*, ed. T. Ter-minassian. Washington: International Monetary Fund, 25-48.
- ALESINA, ALBERTO and SPAOLORE, ENRICO. 2003 *The size of nations*. Cambridge: MIT Press.
- ALESINA, ALBERTO, ANGELONI, IGNAZION and SCHUKNECHT, LUDGER, 2005. What does the European Union do? *Public Choice*, 123 (3-4): 275-319.
- AMORETTI, UGO M. and BERMEO, NANCY, eds., 2004. *Federalism and territorial cleavages*. Baltimore: John Hopkins University Press.
- AMORETTI, UGO M., 2004. Italy. Political institutions and the mobilization of territorial differences, in *Federalism and territorial cleavages*, eds. U. M. Amoretti and N. Bermeo, Baltimore: John Hopkins University Press, 181-200.
- ARISTOTLE. 1959 [384-322 BC]. *Aristotle's Politics and the Athenian Constitution*, trans. J. Warrington. London: J.M. Dent and Sons.
- BACHE, IAN, 1998. The politics of European Union regional policy. Multi-level governance or flexible gatekeeping? Sheffield: Sheffield Academic Press.
- BACHE, IAN, and FLINDERS, MATTHEW, eds. 2004. *Multilevel Governance*. Oxford: Oxford University Press.
- BACHE, IAN and JONES, RACHEL, 2000. Has EU regional policy empowered the regions? A study of Spain and the United Kingdom, *Regional and Federal Studies* 10 (3): 1-20.
- BENZ, ARTHUR, 2003. Mehrebenenverflechtung in der Europäischen Union, in *Europäische Integration*, ed. M. Jachtenfuchs and B. Koch, 2nd edn., Opladen: Leske and Budrich, 317-51.
- BENZ, ARTHUR, 2010. The European Union as a loosely coupled multi-level system, in *Handbook on Multilevel Governance*, ed. H. Enderlein, S. Wälti, and M. Zürn, Cheltenham: Edward Elgar, 214-27.
- BÖRZEL, TANJA A, 2002. *States and regions in the European Union: institutional adaptation in Germany and Spain*. Cambridge: Cambridge University Press.
- BÖRZEL, TANJA A, 2005. Mind the gap! European integration between level and scope, *Journal of European Public Policy*, 12 (2): 217-36.
- BÖRZEL, TANJA A. and HOSLI, MADELEINE O. 2003. Brussels between Bern and Berlin: comparative federalism meets the European Union, *Governance: An International Journal of Policy, Administration, and Institutions*, 16 (2): 179-202.
- BOURNE, ANGELA K, 2003. The impact of European integration on regional power, *Journal of Common Market Studies*, 41(4), 597-620.
- BRANCATI, DAWN, 2008. The origins and strengths of regional parties, *British Journal of Political Science*, 38 (1): 135-59.
- BRAUN, DIETMAR, 2000. Territorial division of power and public policy-making: an overview, in *Public policy and federalism*, ed. Dietmar Braun, Aldershot: Ashgate, 1-26.

- BREUSS, FRITZ and ELLER, MARKUS, 2004. The optimal decentralization of government activity: normative recommendations for the European Constitution, *Constitutional Political Economy*, 15 (1): 27-76.
- BRUSIS, MARTIN, 2002. Between EU requirements, competitive politics, and national traditions: re-creating regions in the accession countries of Central and Eastern Europe, *Governance: An International Journal of Policy, Administration, and Institutions*, 15 (4): 531-59.
- CAPORASO, JAMES A, 1996. The European Union and forms of state: Westphalian, regulatory or post-modern? *Journal of Common Market Studies*, 34 (1): 29-52.
- CAPORASO, JAMES A, 2000. *The European Union: Dilemmas of Regional Integration*, Boulder, CO: Westview Press.
- CAPORASO, JAMES, A. and TARROW, SIDNEY, 2009. Polanyi in Brussels: supranational institutions and the transnational embedding of markets, *International Organization*, 63: 593-620.
- CAREY, SEAN, 2002. Undivided loyalties: is national identity an obstacle to European integration? *European Union Politics*, 3 (4): 387-413.
- CERNY, PHILIP G, 2008. Embedding Neoliberalism: The Evolution of a Hegemonic Paradigm," *Journal of International Trade and Diplomacy* 2 (2): 1- 46.
- CHRISTIANSEN, THOMAS and JØRGENSEN, KNUD E., 2000. Transnational governance 'above' and 'below' the state: the changing nature of border in the new Europe, *Regional and Federal Studies*, 10 (2): 62-77.
- COMBACAU, J. 2000. La souveraineté internationale de l'Etat dans la jurisprudence du Conseil constitutionnel français, *Cahiers du Conseil constitutionnel*, 9, 113-118.
- CROUCH, COLIN, and STREECK, WOLFGANG, 1997. Institutional capitalism: diversity and performance, in *Political Economy of Modern Capitalism: Mapping Convergence and Diversity*, ed. Colin Crouch and Wolfgang Streeck. Thousand Oaks, CA.: Sage.
- DE WINTER, LIEVEN, GÓMEZ-REINO, MARGARITA, and LYNCH, PETER, eds., 2006. *Autonomist Parties in Europe: Identity Politics and the Revival of the Territorial Cleavage. Volumes I and II*. Barcelona: Institut de Ciénces Polítiques i Socials.
- DEUTSCH, KARL W. 1953. *Nationalism and social communication: an inquiry into the foundations of nationality*. Cambridge: MIT Press.
- DIKSHIT, RAMASH D, 1975. *The political geography of federalism*. New York: Halsted Press.
- DREZNER, DANIEL W., 2007. *All politics is global: explaining international regulatory regimes*, (Princeton: Princeton University Press).
- DUCHACEK, IVO D., 1970. *Comparative federalism. The territorial dimension of politics*. New York: Holt, Rhinehart and Winston.
- FABBRINI, SERGIO, 2007) *Compound democracies. why the United States and Europe are becoming similar*. Oxford: Oxford University Press.
- FALKNER, GERDA, 1998. *EU Social Policy in the 1990s: Towards a Corporatist Policy Community*, London: Routledge.
- GEYS, BENNY and KONRAD, KAI A., 2010. Federalism and optimal allocation across level of governance, in Henrik Ederlein, Michael Zürn and Sonja Wälti (eds), *Handbook on multi-level governance*, Cheltenham: Edward Elgar, 32-?.
- HAAS, ERNST B., 1958. *The uniting of Europe: political, social and economic forces, 1950-57*. Stanford: Stanford University Press.

- HERMANN, RICHARD, BREWER, MARILYNN, and RISSE, THOMAS, eds., 2004. *Identities in Europe and the institutions of the European Union*, Lanham, MD: Rowman and Littlefield.
- HERITIER, ADRIENNE, 1996. The accommodation of diversity in European policy-making and its outcomes. *Journal of European Public Policy*, 3 (2): 149–67.
- HIX, SIMON, 1994. The study of the European Community: the challenge to comparative politics. *West European Politics*, 17 (1): 1–30.
- HOBBS, THOMAS, 1651 [1651]. *Leviathan, or the matter, forme and power of a commonwealth ecclesiasticall and civil*. Oxford: Basil Blackwell.
- HOFFMANN, STANLEY, 1966. Obstinate or obsolete? The fate of the nation state and the case of western Europe. *Daedalus*, 95 (3): 862-915.
- HOOGHE, LIESBET, ed. 1996. *Cohesion policy and European integration: building multilevel governance*. Oxford: Oxford University Press.
- HOOGHE, LIESBET and MARKS, GARY, 2001. *Multi-level governance and European integration*. Boulder, CO: Rowman and Littlefield.
- HOOGHE, LIESBET and MARKS, GARY, 2003. Unraveling the central state, but how? Types of multi-level governance. *American Political Science Review*, 97 (2): 233-43.
- HOOGHE, LIESBET and MARKS, GARY, 2005. Calculation, community, and cues: public opinion on European integration. *European Union Politics*, 6 (4): 421-45.
- HOOGHE, LIESBET and MARKS, GARY, 2009a. A postfunctionalist theory of European integration: from permissive consensus to constraining dissensus. *British Journal of Political Science*, 39 (1), 1-23.
- HOOGHE, LIESBET and MARKS, GARY, 2009b. Does efficiency shape the territorial structure of government? *Annual Review of Political Science*, 12, 225-41.
- HOOGHE, LIESBET, MARKS, GARY, and SCHAKEL, ARJAN H., 2010. *The rise of regional authority: a comparative study of 42 democracies (1950-2006)*. London: Routledge.
- HURRELL, ANDREW, and MENON, ANAND, 1996. Politics like any other? comparative politics, international relations, and the study of the EU. *West European Politics*, 19 (2): 386–402.
- INGLEHART, RONALD, 1967. An end to European integration? *American Political Science Review*, 61 (1): 91–105.
- JACHTENFUCHS, MARKUS, 2001. The governance approach to European integration. *Journal of Common Market Studies*, 39 (2): 245–64.
- JEFFERY, CHARLIE, ed., 1997. *The regional dimension of the European Union. Towards a third level in Europe?* London: Frank Cass.
- JEFFERY, CHARLIE, 2000. Sub-national mobilization and European integration: does it make any difference? *Journal of Common Market Studies*, 38 (1): 1-23.
- JOLLY, SETH KINCAID, 2007. The europhile fringe? Regionalist party support for European integration. *European Union Politics*, 8 (1): 109–130.
- KASSIM, HUSSEIN, PETERSON, JOHN, HOOGHE, LIESBET, BAUER, MICHAEL, CONNOLLY, SARA, DEHOUSSE, RENAUD, and THOMPSON, ANDREW, 2012. *The European Commission of the 21<sup>st</sup> Century*. Oxford: Oxford University Press.
- KOHLER-KOCH, BEATE, and EISING, RAINER, eds., 1999. *The transformation of governance in the European Union*. London: Routledge.

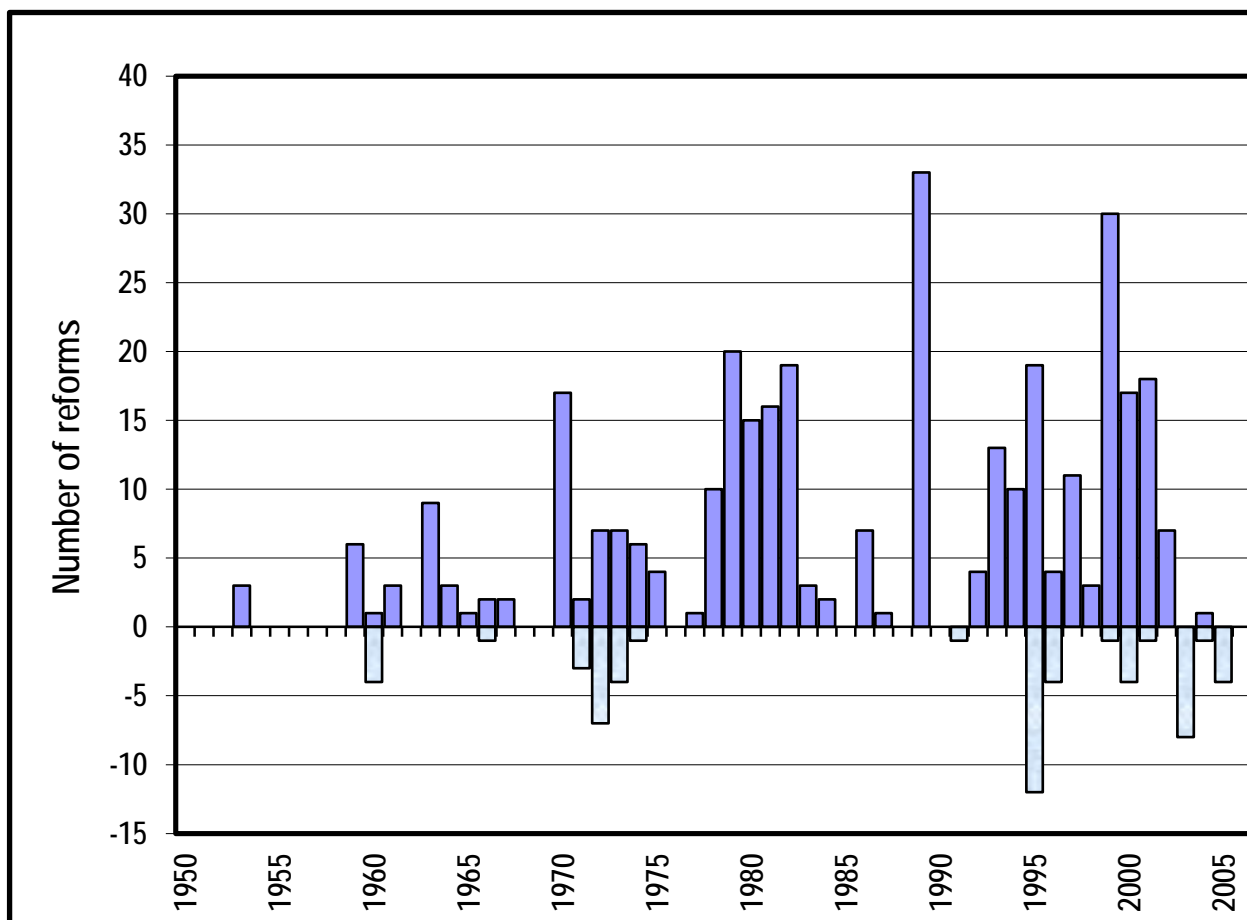
- JORDAN, ANDREW, 2001. The European Union: an evolving system of multi-level governance ... or government?, *Policy and Politics*, 29 (2): 193-208.
- KEATING, MICHAEL, 1998. *The new regionalism in Western Europe. Territorial restructuring and political change*. Aldershot: Edward Elgar.
- KEOHANE, ROBERT O. and HOFFMANN, STANLEY, eds., 1991 *The new European Community: decision making and institutional change*. Boulder, CO: Westview.
- KETTUNEN, PEKKA and KUNGLA, TARVO, 2005. Europeanization of sub-national governance in unitary states: Estonia and Finland. *Regional and Federal Studies*, 15 (3), 353-78.
- LAITIN, DAVID, 1998. *Identity in formation: The Russian-speaking populations in the near abroad*. Ithaca: Cornell University.
- LEIBFRIED, STEPHAN, and PIERSON, PAUL, eds., 1995. *Fragmented social policy: The European Union's social dimension in comparative perspective*. Washington, DC: Brookings Institution.
- LEIBFRIED, STEPHAN, GAINES, SUSAN M., and FRISINA, LORRAINE, 2009. Through the funhouse looking glass: Europe's ship of states. *German Law Journal*, 10 (4): 311-34.
- LIPSET, SEYMOUR MARTIN, and ROKKAN, STEIN, 1967. Cleavage structure, party systems, and voter alignments: an introduction, in *Party Systems and Voter Alignments*, ed. Seymour Martin Lipset and Stein Rokkan, New York: The Free Press, 1-67.
- LOUGHLIN, JOHN, 2007. Reconfiguring the state: trends in territorial governance in European states. *Regional and Federal Studies*, 17 (4): 385-403
- LOUGHLIN, JOHN with the collaboration of ELISEO AJA, UDO BULLMAN, FRANK HENDRIKS, ANDERS LIDSTRÖM and DANIEL-L. SEILER, 2001. *Subnational democracy in the European Union. Challenges and opportunities*. Oxford: Oxford University Press.
- MAJONE, GIANDOMENICO, 1994. The rise of the regulatory state in Europe. *West European Politics*, 17 (1): 77-101.
- MAJONE, GIANDOMENICO, 1996. *Regulating Europe*. London: Routledge.
- MARKS, GARY, 1993. Structural policy and multilevel governance in the EC, in *The State of the European Community*, ed. Alan Cafruny and Glenda Rosenthal, New York: Lynne Rienner, 391-410.
- MARKS, GARY, 1996. Exploring and explaining variation in EU cohesion policy, in *European Integration and EU Cohesion Policy: Building Multilevel Governance*, ed. Liesbet Hooghe, Oxford: Oxford University Press, 388-422.
- MARKS, GARY, NIELSEN, FRANCOIS, SALK, JANE AND RAY, LEONARD, 1996. Competencies, cracks, and conflicts: regional mobilization in the European Union, *Comparative Political Studies*, 29 (2): 164-93.
- MARX, KARL, 2009 [1867]. *Das Kapital 1.1. Resultate des 1. Bd. „Das Kapital“*, verfasst vom Autor. Karl Dietz Verlag Berlin,
- MASSETTI, EMANUELE and SCHAKEL, ARJAN H., 2011. Decentralization, regionalist parties' electoral fortunes: unpacking a complex relationship, Paper presented at the sixth annual conference of the European Consortium for Political Research, Reykjavik, University of Iceland, August, 25-27.
- MCLAREN, LAUREN, 2002. Public Support for the European Union: Cost/Benefit Analysis or Perceived Cultural Threat? *Journal of Politics*, 64: 551-66.

- MACCORMICK, NEIL, 2010. Sovereignty and After, in *Sovereignty in fragments*, ed., H. Kalmo and Quentin Skinner, Cambridge: Cambridge University Press, 151-68
- MITRANY, DAVID, 1948. The Functional Approach to World Organization. *International Affairs*, 24 (3): 350–63.
- MORAVSCIK, ANDREW, 1998. *The choice for Europe: social purpose and state power from Messina to Maastricht*. London: UCL Press.
- MORATA, FRANCESCO, 1992. Regions and the European Community: a comparative analysis of four Spanish regions, *Regional and Federal Studies*, 2 (1): 187-216.
- NORTH, DOUGLASS, 1990. *Institutions, Institutional Change, and Economic Performance*. Cambridge: Cambridge University Press.
- OATES, WALLACE E, 1972. *Fiscal federalism*. New York; Harcourt Brace Jovanovich.
- OATES, WALLACE E., 1999. An essay on fiscal federalism. *Journal of Economic Literature*, 37 (3): 1120-49.
- OATES, WALLACE E., 2005. Toward a second-generation theory of fiscal federalism, *International Tax and Public Finance*, 12 (4): 349-73.
- PETERSON, JOHN, 1995. Decision-making in the European Union: Towards a framework for analysis. *Journal of European Public Policy*, 2 (1): 69–93.
- PIATTONI, SIMONA, 2009. Multi-level governance: A historical and conceptual analysis. *Journal of European Integration*, 31 (2): 163-80.
- PIERSON, PAUL, 1996. The path to European Integration: A historical institutionalist analysis. *Comparative Political Studies*, 29 (2): 123–62.
- POLLACK, MARK A, 1995. Creeping Competence: The expanding agenda of the European Community. *Journal of Public Policy*, 14 (1): 97–143.
- PRICE, ADAM with BEN LEVINGER, 2011. The flotilla effect: Europe’s small economies through the eye of the storm: Accessed August 12, 2011. [http://www.english.plaidcymru.org/uploads/downloads/Flotilla Effect - Adam Price and Ben Levinger.pdf](http://www.english.plaidcymru.org/uploads/downloads/Flotilla_Effect_-_Adam_Price_and_Ben_Levinger.pdf)
- PUTNAM, ROBERT D., 1993. *Making democracy work. Civic traditions in modern Italy*. Princeton: Princeton University Press.
- RHODES, MARTIN, and APELDOORN, BASTIAAN VAN, 1997. Capitalism versus capitalism in Western Europe, in *Developments in West European Politics*, ed. Martin Rhodes, Paul Heywood, and Vincent Wright, New York: St. Martin’s Press, 171-189.
- RISSE, THOMAS, 1996. Exploring the nature of the beast: international relations theory and comparative policy analysis meet the European Union. *Journal of Common Market Studies* 34 (1): 53-80.
- ROSAMOND, BEN, 2000. *Theories of European integration*. London: Palgrave Macmillan.
- ROSE, JÜRGEN and TRAUT JOHANNES CH., eds., 2002. *Federalism and decentralization. Perspectives for the transformation process in Eastern and Central Europe*. Münster: Lit Verlag.
- SBRAGIA, ALBERTA M., 1992. *Europolitics. Institutions and policymaking the ‘new’ European Community*. Washington DC: The Brookings Institute.
- SBRAGIA, ALBERTA M., 1993. The European Community: a balancing act. *Publius*, 23 (3): 23-38.

- SBRAGIA, ALBERTA M., 1996. Environmental policy, in *Policy-Making in the European Union*, ed. Helen Wallace and William Wallace, Oxford: Oxford University Press, 235–55.
- SCHAKEL, ARJAN H, 2009a. *A postfunctionalist theory of regional government. An inquiry into regional authority and regional policy provision*. PhD-dissertation, Free University Amsterdam.
- SCHAKEL, ARJAN H, 2009b. Explaining policy allocation over governmental tiers by identity and functionality. *Acta Politica*, 44 (4): 385-409.
- SCHAKEL, ARJAN H, 2010. Explaining regional and local government: an empirical test of the decentralization theorem, *Governance: An International Journal of Policy, Administration, and Institutions*, 23 (2): 331-55.
- SCHARPF, FRITZ W., 1988. the joint decision trap: lessons from german Federalism and European integration. *Public Administration*, 66, 239–78.
- SCHARPF, FRITZ W., 1997. The Problem-Solving Capacity of Multi-Level Governance. *Journal of European Public Policy*, 4 (4): 520–38.
- SCHARPF, FRITZ W., 1999. *Governing in Europe: Effective and Democratic?* Oxford: Oxford University Press.
- SCHERPEREEL, JOHN A., 2010. EU cohesion policy and the Europeanization of Central and East European regions. *Regional and Federal Studies*, 20 (1): 45-62.
- SCHMIDT, VIVIAN A, 1999. European “federalism” and its encroachments on national institutions. *Publius: The Journal of Federalism*, 29 (1): 19-44.
- SCHMITTER., PHILIPPE C, 1996. Examining the present Euro-polity with the help of past theories, in *Governance in the European Union*, ed. Gary Marks, Fritz Scharpf, Philippe Schmitter and Wolfgang Streeck, London and Thousand Oaks, CA: Sage, pp. 121–50.
- SHAH, ANWAR, 2006, A comparative institutional framework for responsive, responsible, and accountable local governance, in *Local governance in industrial countries*, ed. Anwar Shah. Washington D.C.: The World Bank, 1-40.
- SHARPE J. L., 1993. The European meso: an appraisal, in *The Rise of Meso Government in Europe*, ed. J. L. Sharpe, London: Sage, 1–39.
- SMITH, GRAHAM, ed., 1995. *Federalism. The multiethnic challenge*. London: Longman.
- SMITH, GRAHAM, 1995. Federation, defederation and refederation: from the Soviet Union to Russian statehood, in *Federalism, The multiethnic challenge*, ed. Graham Smith, London: Longham, 157-179.
- SWENDEN, WILFRIED, 2006. *Federalism and Regionalism in Western Europe. A Comparative and Thematic Analysis*. Houndmills, UK: Palgrave MacMillan.
- TARROW, SIDNEY, 1995. The Europeanisation of conflict: Reflections from a social movements perspective. *West European Politics*, 18 (2): 223–51.
- TARROW, SIDNEY, 2001. Contentious politics in a composite polity,” in *Contentious Europeans: Protest and Politics in An Emerging Polity*, ed., Doug Imig and Sidney Tarrow, New York: Rowman and Littlefield, 233-252.
- TATHAM, MICHAEL, Forthcoming. Devolution and EU policy-shaping: Bridging the gap between multi-level governance and liberal intergovernmentalism. *European Political Science Review*.
- TATHAM, MICHAEL, 2008. Going solo: Direct regional representation in the European Union. *Regional and Federal Studies* 18 (5): 493-515.

- TER-MINASSIAN, TERESA, 1997. Intergovernmental fiscal relations in a macroeconomic perspective: An overview, in *Fiscal Federalism in Theory and Practice*, ed. Teresa Ter-Minassian, Washington: International Monetary Fund, 3–24.
- TREISMAN, DANIEL, 2007. *The architecture of government. Rethinking political decentralization*. Cambridge: Cambridge University Press.
- TROPER, MICHEL, 2010. The Survival of Sovereignty in *Sovereignty in fragments*, ed., H. Kalmo and Quentin Skinner, Cambridge: Cambridge University Press, 132-50.
- TSEBELIS, GEORGE, 1994. The power of the European parliament as a conditional agenda setter. *American Political Science Review*, 88 (1): 129–42.
- VAN APELDOORN, BASTIAAN, 2008. The contradictions of ‘embedded neoliberalism’ and Europe’s multilevel legitimacy crisis: The European project and its limits,” in *Contradictions and Limits of Neoliberal European Governance: From Lisbon to Lisbon*, ed., Bastiaan van Apeldoorn, Jan Drahoukoupil, and Laura Horn, London: Palgrave, 21– 43.
- WALLACE, HELEN, and WALLACE, WILLIAM, 2006. The European Union, politics and policy making’, in *Handbook of European Union Politics*, ed., Knud Erik Jørgensen, Mark A. Pollack and Ben Rosamond, Oxford: Oxford University Press, 339–58.
- WATTS, RONALD L. 2008. *Comparing federal systems. Third edition*. Montreal: McGill-Queen’s University Press.

**Figure 1: Reform of Regional Authority (1950–2006)**



Note: This figure aggregates reforms on an annual basis for 42 EU and OECD countries in the authority exercised by regional governments, that is subnational governments with an average population of at least 150,000. Dark bars are reforms that increase regional authority. Light bars are reforms that decrease regional authority.  $n = 393$ .

Regional reform is estimated along eight dimensions in two domains: *self rule* (the authority exercised by a regional government over those who live in the region) and *shared rule* (The authority exercised by a regional government or its representatives in the country as a whole).

Self rule consists of

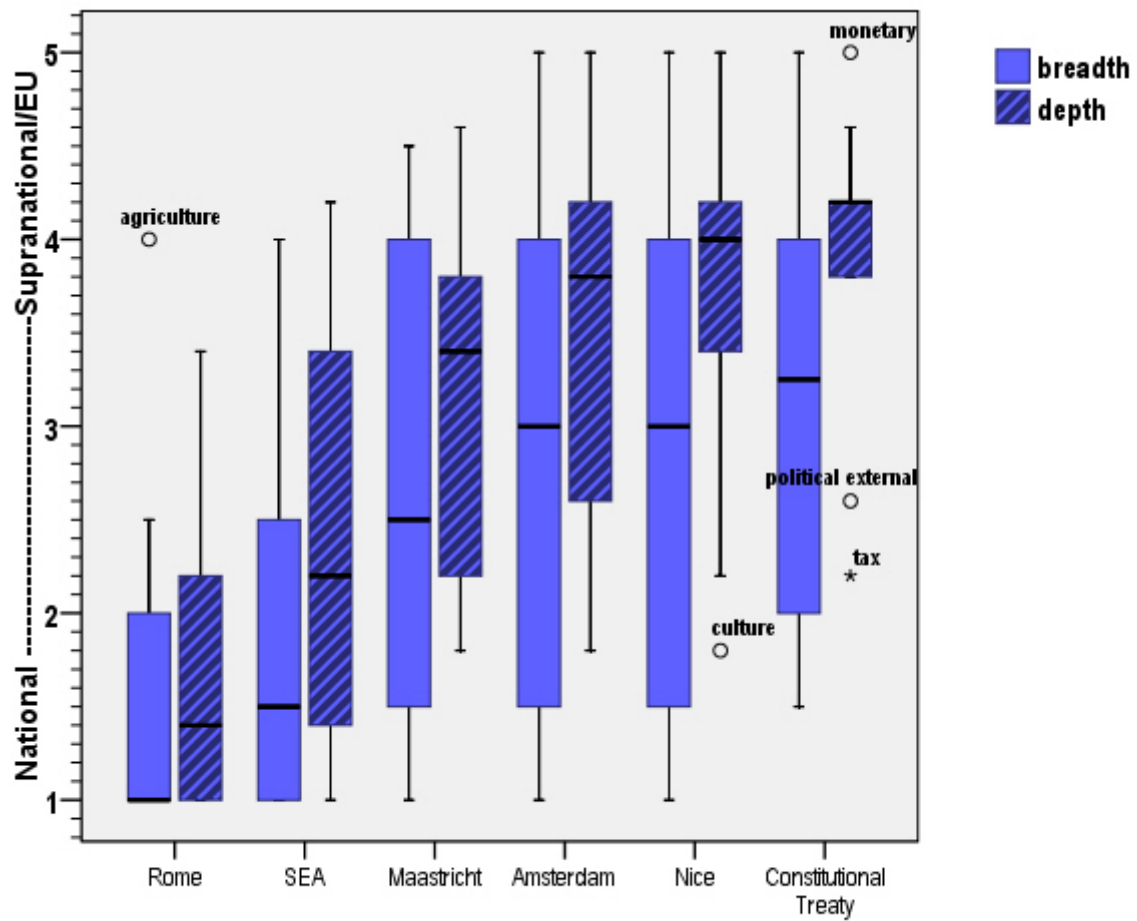
- 1) *Institutional depth*: The extent to which a regional government is autonomous rather than deconcentrated;
- 2) *Policy scope*: The range of policies for which a regional government is responsible;
- 3) *Fiscal autonomy*: The extent to which a regional government can independently tax its population;
- 4) *Representation*: The extent to which a region is endowed with an independent legislature and executive.

Shared rule consists of

- 5) *Law making*: The extent to which regional representatives co-determine national legislation;
- 6) *Executive control*: The extent to which a regional government co-determines national policy in intergovernmental meetings;
- 7) *Fiscal control*: The extent to which regional representatives co-determine the distribution of national tax revenues;
- 8) *Constitutional reform*: The extent to which regional representatives co-determine constitutional change.

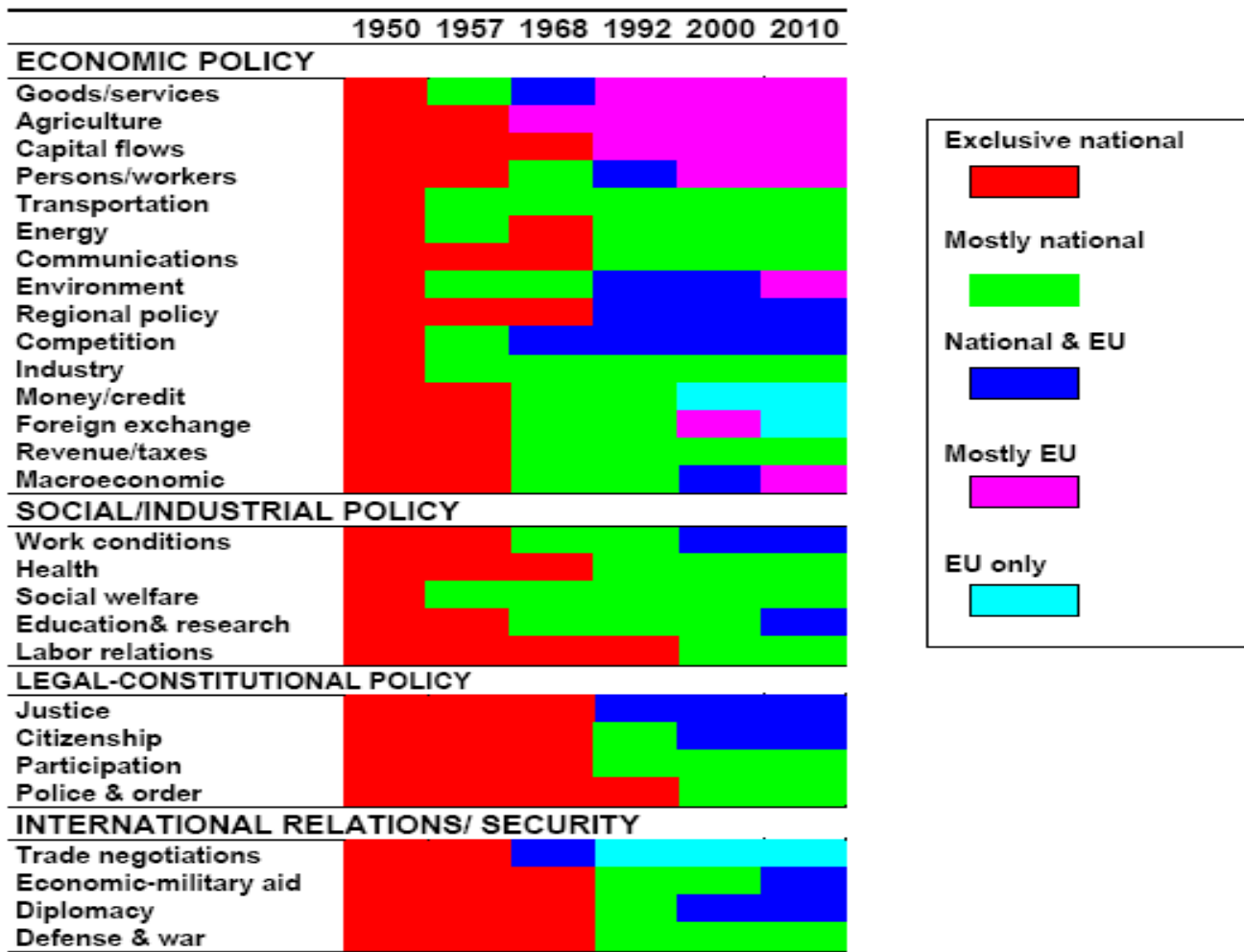
Source: Hooghe, Marks, & Schakel (2010).

**Figure 2: Evolution of EU authority  
(policy breadth and depth)  
(1957-2004)**



Note: *Breadth* (1-5) estimates the extent to which the EU plays a role in a policy (1-5); *Depth* (1-5) estimates the supranational or intergovernmental character of the decision rules. The boxes encompass the interquartile range for 18 policies, the horizontal line is the median, and the whiskers indicate the fifth and ninety-fifth percentiles. Starred policy areas are outliers, and white circles are extreme cases. Source: Börzel (2005, 221-3).

### EU vs. National Power—1950-2010\*



**Figure 3: Evolution of EU vs. National Competence in Policy Fields**