

**INSTITUTIONAL OPTIONS OF TERRITORIAL AUTONOMY:
FROM FEDERALISM TO POWER-SHARING**

Abstract. Thesis deals with the problem of different types of institutional arrangements of territorial organization which are adopted worldwide. Peculiarities of every type of institutional mechanism are discussed.

When we try to discuss diversity of states institutional organization we can see, firstly, various forms of territorial autonomy, and secondly, «shared rule» at the central government level [1]. Most countries adopted hybrid institutions, which combine aspects of various models, in order to be more flexible and effective. There are four basic categories of institutional arrangements [2]: federalism, autonomy, decentralization and power-sharing.

Federalism is dealing with the constitutional diffusion of power (territorial sharing of power). According to N.Bermeo, federal system exists where there is a layer of state institutions between a state's center and its localities, this layer of institutions features its own leaders and elected bodies, and when those leaders and bodies share decision-making power with the center [3]. To be federal for a state it needs to guarantee in its constitution that both levels of government have at least one area of action in which they have exclusive jurisdiction. Federalism, then, is a constitutional means to prevent the centralization of power [4]. Examples of federal system are not only U.S., Canada, Russia, Germany, but also Macedonia, Bosnia, Sudan.

In case of territory and cultural aspects we can highlight four basic types of federalism models:

1) Symmetric federalism — refers to a federal system of government in which each constituent state to the federation possess equal powers. Best example of such kind of model can be USA because each state in country has the same constitutional competences.

2) Asymmetric federalism — asymmetric federal model may emerge when a unitary state develops a federal relationship with a territorially, ethnically, or culturally distinct community, while the rest of the country remains under unitary rule [2]. Good examples of this kind of model are India with special provisions for some states;

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Denmark with specific relationship with Greenland; Canada with Quebec which has distinct powers not granted to other provinces.

3) Mono-national federalism — refers to the countries which can be ethnically homogenous (like Austria, Germany) but also to the heterogeneous if their member states are not ethno-regional units, and their population is integrated by a common political and national consciousness and the unified identity of the population (like U.S., Australia). In these countries federalism is only linked to the national question in a historical sense as it used to be a tool to unify the state and build the nation [5].

4) Ethno-federalism — a state is ethno-federal when at least one of its sub-units is intentionally associated with a specific ethnic or linguistic category [6]. Today Spain, Canada and Belgium fall under this category, but some decades ago former Soviet Union, Czechoslovakia and Yugoslavia were examples of ethno-federal states. This type of federalism can be divided into three categories:

- multiethnic federalism — refers to those ethno-federal countries where the population is united by state-patriotism and a unified identity of the population and where the demographic composition is characterized by the predominance of the majority nation. A typical example can be Switzerland, where everybody defines themselves as Swiss first, and only belongs to one or other ethnic group or canton with a secondary group identity [5];

- multinational federalism — refers to the countries where individual ethnic groups had or have a separate national identity (Soviet case);

- borderline case between multiethnic and multinational types — ethno-federations where integrative national political consciousness and a strong separate identity are present at the same time (most African and Asian ethno-federations belong to this category). In Europe as good example of this case can be Flemish people in Belgium, Catalanian people in Spain and the French in Quebec (Canada). In Africa the population of Nigeria, for example, can be divided into separate Ibo, Yoruba and Hausa nations, or along religious lines between Muslims and Christians.

In case of finance distribution / redistribution we can highlight other main types of federalism [7]:

1) Dual (layer cake) federalism — refers to a system in which the two levels of government operate separately, and is pretty much the bog-standard definition of how the framers intended it to be interpreted.

2) Cooperative (marble cake) federalism — implies that the federal and state governments share power equally in order to resolve common problems collectively.

3) Creative (picket fence) federalism — allows the federal government to decide what the states need, and then provide them with the resources.

4) New federalism — included a reassertion of powers going back to the state and local governments in order to create a new balance between the two.

5) Progressive (competitive) federalism — provides states with greater control over issues previously reserved for the federal government, such as environmental and consumer protection.

But in real life all models of federalism are very connected and American system of relations between the states and centre evolved from dual through creative to competitive federalism (tab.1). Never the less, all stages of fiscal federalism can be reduced to three models that differ in the configuration of the distribution of powers between the centre and sub-national governments (fig.1).

Table 1

PERIODIZATION OF FISCAL FEDERALISM MODELS IN U.S.

Types	Characteristics	Period
1. Dual federalism (layer-cake)	Clear division of responsibilities between central and sub-national governments, capital and regions are considered as equal centers of power, the basis of intergovernmental relationships are horizontal ones	1790—1930
2. Cooperative federalism (marble cake)	Cooperation between national and sub-national governments, dependency of locals form the center’s decisions, centre attract regions to implement national policy	1930—1960
3. Creative federalism (picket fence)	Increasing of central government’s role, which through intergovernmental transfers solves not only national but also sub-national problems	1960—1980
4. New federalism	Narrowing of central government’s role, cuts spending of solving sub-national problems, strengthening the regional autonomy in expenditure and income	1980—2000
5. Progressive federalism (competitive)	Freedom of decision-making by centre and sub-national governments based on the tax and budget autonomy, local governments sell to citizens of region public goods in return for the taxes that are kind of price	Since XXI

Source: [7; 8; 9]

Autonomy arrangements devolve to minority groups the power to exercise direct control over agreed upon issues of special concern to them and allow the central state to exercise power over other policies of concern to the whole state. Territorial autonomy is possible when the minority is concentrated in one region of the country and when it constitutes a majority in that region [1]. The main peculiarities of territorial autonomy include: 1) minority language is the official language of the region; 2) right to tax; 3) right to establish regional institutions charged with legislative and executive functions; 4) primary and sometimes secondary education on responsibility of regional governments.

As an example of territorial autonomy can be Swedish-speaking region of Åland in Finland, which has its own legislative and executive bodies. Other examples of regional autonomy include the Atlantic Coast of Nicaragua which was established for the protection of indigenous people, the Chittagong Hill Tracts in Bangladesh, The Cordillera Region (Philippines), Western Balochistan (Iran), Transylvania (Romania), Transnistria (Moldova), South Ossetia (Georgia), Turkish Kurdistan, et. [1; 2; 10]. There is strong difference between autonomy and federalism: autonomy is a special arrangement between the centre and one or two regions, as for example South Tyrol in Italy, which does not include institutions through which autonomous territories share legislative power at the central government (federalism).

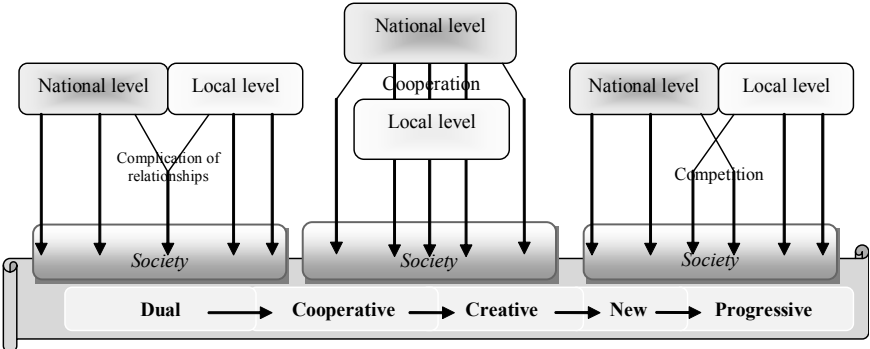


Figure 1. Models of fiscal federalism

As K.Papagianni mentioned, territorial autonomy, rather than federalism, is adopted when the primary goal is to address the local concerns of territorially concentrated minorities [2]. Because

territorial autonomy does not institutionalize regional power at the centre, it may be easier to negotiate and adopt than federalism as it meets less resistance from other regions of the country. Many scholars [2; 11; 12] agreed that federalism and territorial autonomy contribute positively to the sustainability of peace, especially when combined with international military and financial assistance.

Decentralization means that legislative and policy powers remain with the centre, while implementation is delegated to either national civil servants located in the regions or to locally established councils. The essential and defining characteristic of decentralized power is that it can be revoked by the centre [2]. Decentralization very often is a compromise solution between the demands of minorities for territorial autonomy and the unwillingness of the central state to grant it. Decentralized governance has many advantages: 1) for democratic participation, representation, and accountability; 2) for public policy and governmental effectiveness; 3) for the representation and accommodation of territorially based ethnic, cultural, and linguistic differences [13; 14].

Like in case of federalism, there are some forms of decentralization [15]:

1) Administrative decentralization transfers bureaucratic decision-making authority and managerial responsibilities for the delivery and regulation of public services and for raising revenues from the central government to sub-national tiers.

2) Fiscal decentralization transfers some forms of resource allocation, usually by giving subnational units authority over local taxes and spending. Fiscal decentralization is believed [16] to reduce corruption by strengthening the transparency of decision-making and the accountability of elected officials to local communities. For example, the Baltic States, Slovenia, Nordic countries are highly decentralized. A significant part of tax revenues from local economic activity goes to local budget and local administrations enjoy high degree of autonomy. Taxes received by local governments as % of total taxation in Estonia, Slovenia and Lithuania is around 12 %, Latvia — 18 %, Finland — 22 %, Sweden — 35 % [17].

3) Political decentralization transfers authority and responsibility from the central government to public bodies at sub-national level, such as village assemblies, city mayors and state governors, and elected municipal councils.

Power-sharing refers to political arrangements which guarantee the participation of representatives of all significant communal groups in

political decision-making and especially in the executive [18]. The central idea of power-sharing is the inclusion and protection of minorities groups from the outcome of majority rule. It exists through proportional representation of all minorities in cabinets and proportional allocations of funds and positions [2]. According to J. Nye and R. Keohane [19], power-sharing arrangements can be demonstrated in a scheme's form (tab. 2).

Table 2

MODEL OF VERTICAL POWER-SHARING ARRANGEMENTS

	Civil society	Public sector	Private sector
Supra-national	International NGOs and global networks of activities	Multinational and regional development	International corporations
National	National interest groups, NGOs, voluntary societies	Central organs of the national legislature, core executive and bureaucracy, national judiciary	Privatization of state sector nationalized assets
Sub-national	Regional, local and community interest groups, NGOs, voluntary societies	Federal constitutions safeguarding state's rights and autonomy over some functions, political, fiscal and administrative decentralization to regional, local and community elected bodies	Privatization of regional and local sector assets and contracting out of services

Source: [19].

Power-sharing may be part of a larger deal which includes a federal arrangement or provisions for territorial autonomy, or it can exist in a unitary state [20]. This works well when political elites are moderate and willing to compromise, but it's very difficult to improve in post-conflict countries. Also extensive guarantees offered to the parties of the conflict take away any incentives to compromise.

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