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**RESEARCH PAPER
NOTES DE RECHERCHE**

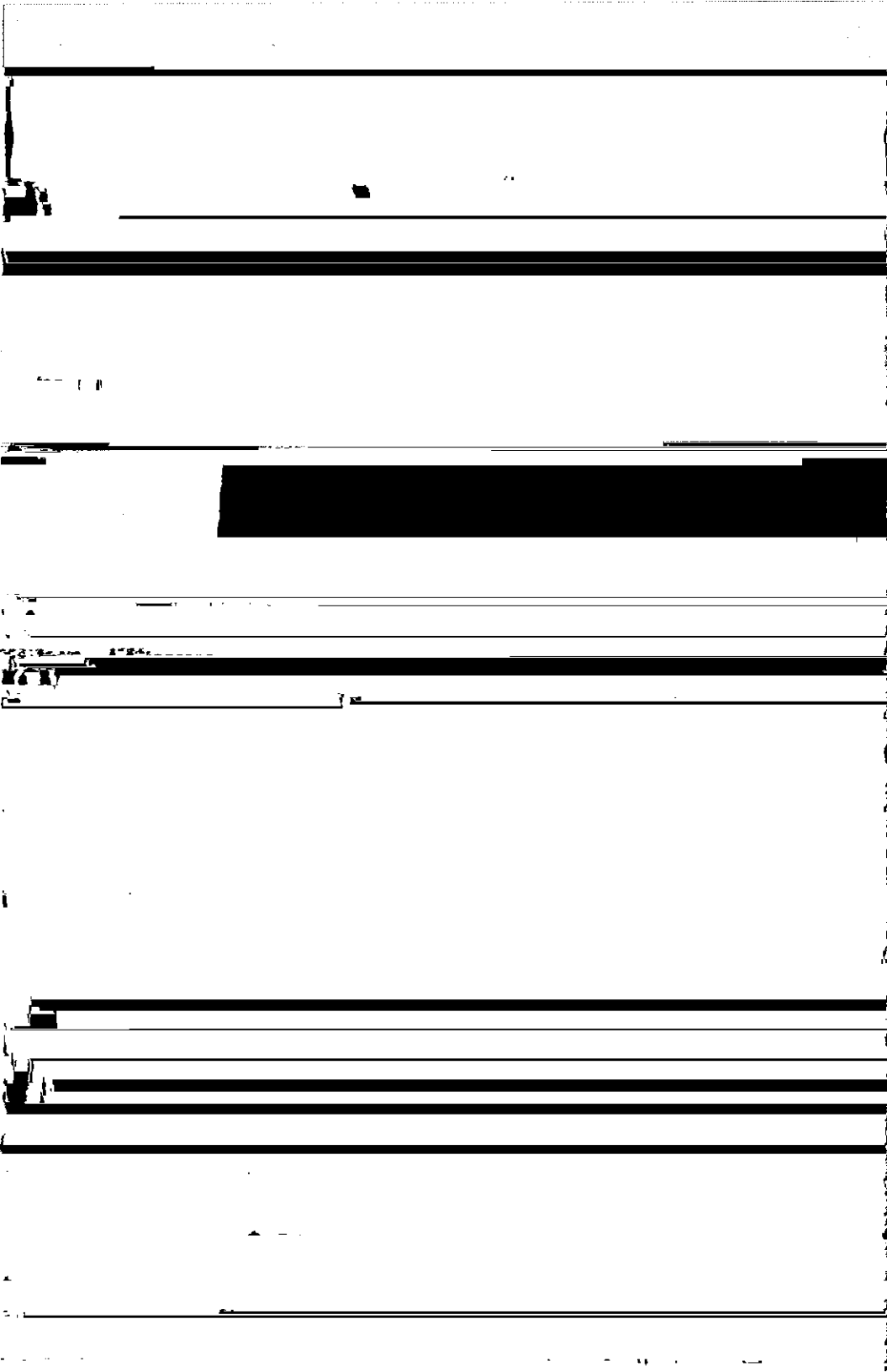
**A Political Economy
of Federalism:
In Search of a New Comparative Perspective
With Critical Intent Throughout**

Thomas O. Hueglin



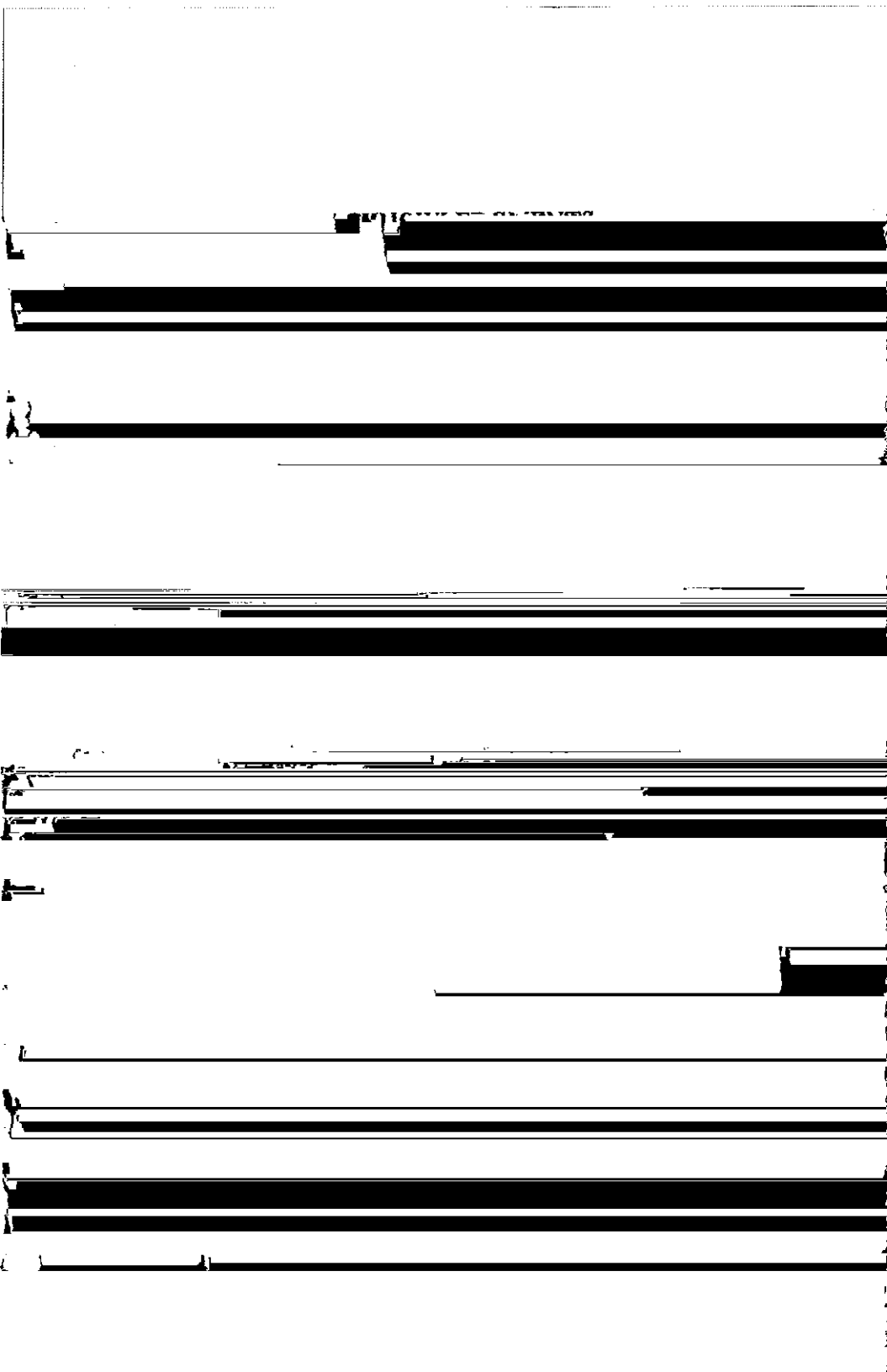
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Intergovernmental
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Kingston, Ontario
Canada K7L 3N6**



of Political Accommodation in Canada (Kingston: Institute of Intergovernmental Relations, 1984).

This current study, *A Political Economy of Federalism*, appears in the Institute's *Research Report* (Kingston: Institute of Intergovernmental Relations, 1984).



SOMMAIRE

Par définition, le capitalisme conduit à une concentration sociale et territoriale du pouvoir et de la richesse. En outre, les systèmes capitalistes se caractérisent

A POLITICAL ECONOMY OF FEDERALISM:
IN SEARCH OF A NEW COMPARATIVE PERSPECTIVE
WITH CRITICAL INTENT THROUGHOUT

I — INTRODUCTION

By the Author in Munich

[Goethe, Faust I]

ences. To the best of my knowledge, there is not one book on comparative

spatial struggle for resources and identities are being treated, for the most part, as a matter of rational governmental choice. Despite ample evidence that governments in capitalist states are more rapidly than ever moving from the *logic* of active public policy formation to the *logistics* of reactive damage control and crisis management,⁶ fiscal federalism is still treated as an independent analytical variable.

The narrow governmental approach does allow for insightful analyses of

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... finds its spatial complement in the contra-

welfare state in two important ways. On the one hand, public spending for accumulation *and* legitimation led to a fiscal crisis of unprecedented budget

"theory of political cleavage" which "we now significantly lack"⁴⁹ Only some

indications can be given, therefore, towards what direction such a theoretical

In their study on the *Small Worlds* of Canadian provinces, David Elkins and Richard Simons found "a population highly sensitive to regional differences."

In federal states, the crucial centre for such control and regulation would

of comparative politics to find at least some patterns of similarities and dissimilarities across time and space.

IV. COMPARATIVE PERSPECTIVE

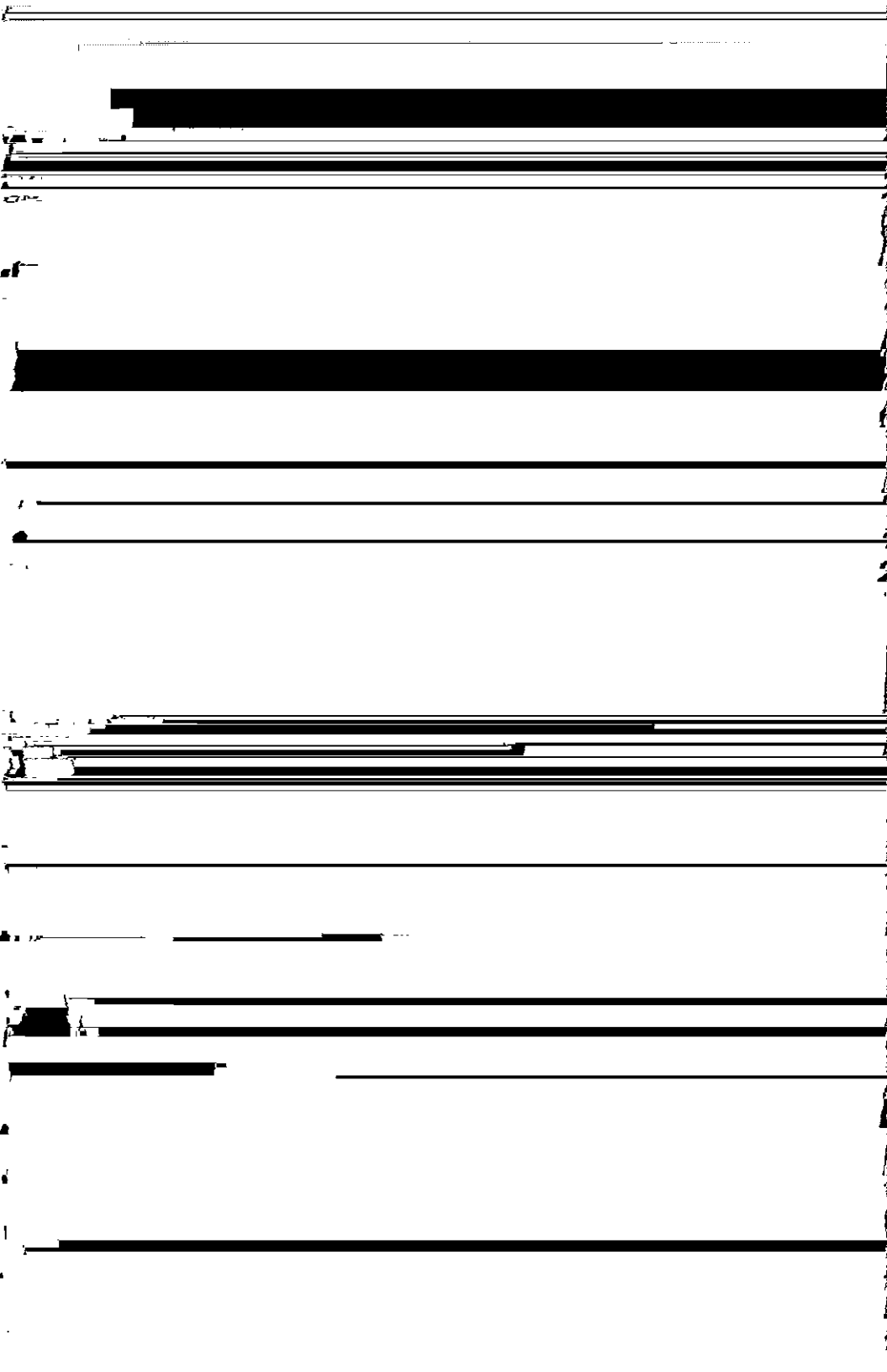
Obviously, a general theory of federalism would have to stand the test of

Source: *Journal of Political Economy*, 1980, 88, 1037-1054.

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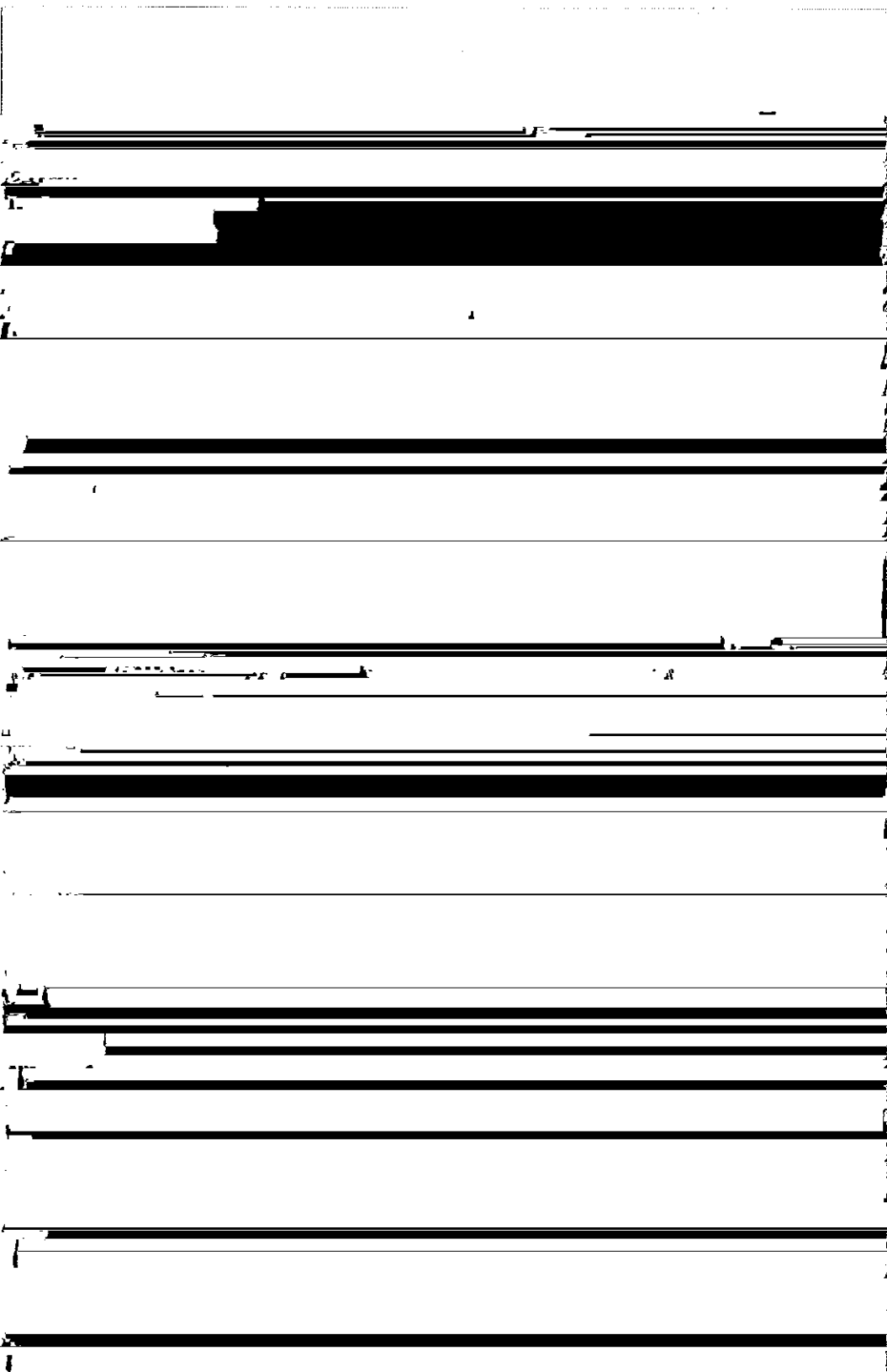
"hybrid" within this asymmetrical structure of influence. 77 Thus, central and

It is not surprising, then, when an analysis of formalized politics in Switzerland comes to the conclusion that government activity is generally low.⁹² It is



vertical cooperation, it has been argued that the West German policy process has become overly incrementalist and often immobilized.

Of particular importance in this context is the party system. Especially when



However, this process of centralization need not necessarily be irreversible.¹²⁴ Increased capital mobility and economic restructuring have for the first

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Deprived of institutionalized means of control over federal legislation (which the dual concept of federalism did not foresee), state and local governments can only lobby against the functional centralization of American federalism. If that does not lead to success, judicial review remains the last option.

Because the American Constitution is characterized by "profound inconsistencies in... the basic distribution of authority on which the maintenance of a

CANADA

In contrast to the American system of functionalized federal administration which cuts across the boundaries of territorial responsibilities, it is the hallmark

Conflicts arose not only over the distribution of revenues and expenditures, but

on the illusion that constitutional engineering can indeed change radically, or even eliminate altogether, the underlying roots of the perpetual federal crisis which Richard Simeon had identified aptly and early-on as a crisis of "differing

reserve army of labour (Atlantic Canada in particular).¹⁸⁴ Federal-provincial conflict in this vein has traditionally been explained as peripheral resistance

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While the enthusiasm for *Mogch* was short-lived²⁰⁵ the U.S.-Canadian Free

more by regular meetings that are organized by the Business Council on

the most important dividing line of its political economy, and whether regional

threatens its capacity to maintain a system of balanced partnership among its

As the examination of four federal systems revealed, substantive differences

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conomic production. It is not so difficult to imagine how shared intergovernmental control over corporate power, and over the spatial allocation of financial and
... could indeed constitute a new beginning for a

his thoughtful comparisons stop short of any socio-economic examination as to why that is so. In fact, his identification of the American federal culture with the *cowboy-partner* seems to be more confusing than clarifying. If it is the combination of rugged individualism and partnership which safeguards the federal principle, the secular trend of the American polity towards centralization, thus violating federal balance, can only be explained at the governmental level. The existence

is indeed one of the richest contributions to social philosophy. Perhaps at times

21. See John F. Manley, "Neo-Pluralism: A Class Analysis of Pluralism I and Pluralism II," *American Political Science Review* 77 (1983), 368-83.
22. See, as one summarizing example among many, Martin Carnoy, *The State and*

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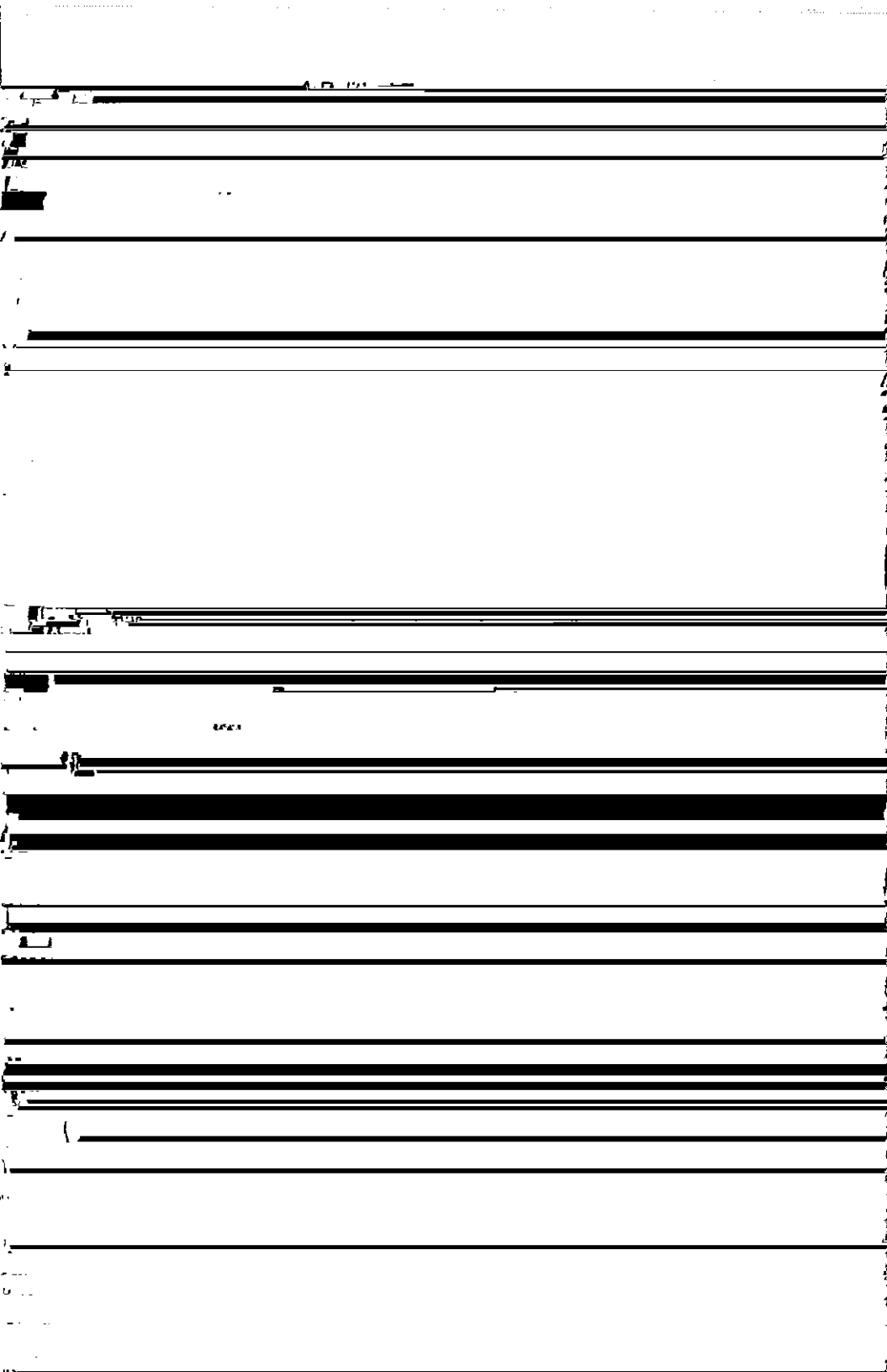
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34 This does not mean that the _____

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42. Ralph Miliband, quoted in Bottomore, "The Capitalist Class," 13.



74. The main contributions to this debate have been, among others, John Richards and Larry Pratt, *Prairie Capitalism* (Toronto: McClelland and Stewart, 1979), Garth Stevenson, *Unfulfilled Union* (Toronto: Gage, 1982); in terms of centralization/decentralization see Richard Simco, "Consideration on Centralization and De-

93. Katzenstein, *Small States in World Markets*, 90.

94. *Ibid.*, 71-72.

96. A revision of family law was initiated in 1969. The revision was initiated in 1969. The revision was initiated in 1969.

107. See Ellwein and Hesse, *Das Regierungssystem der Bundesrepublik Deutschland*, 80-86.
108. See Klaus von Beyme, *Das politische System der Bundesrepublik Deutschland* (Muenchen: Piper, 1987), 205-13.
109. See Eijtz W. Scherpf, Bernd Reisinger and Fritz Scheffler, *Die...*

123. Michael Kreile "West Germany: The Dynamics of Economic Growth" *Journal of Economic Surveys* 1987, 1, 1-24

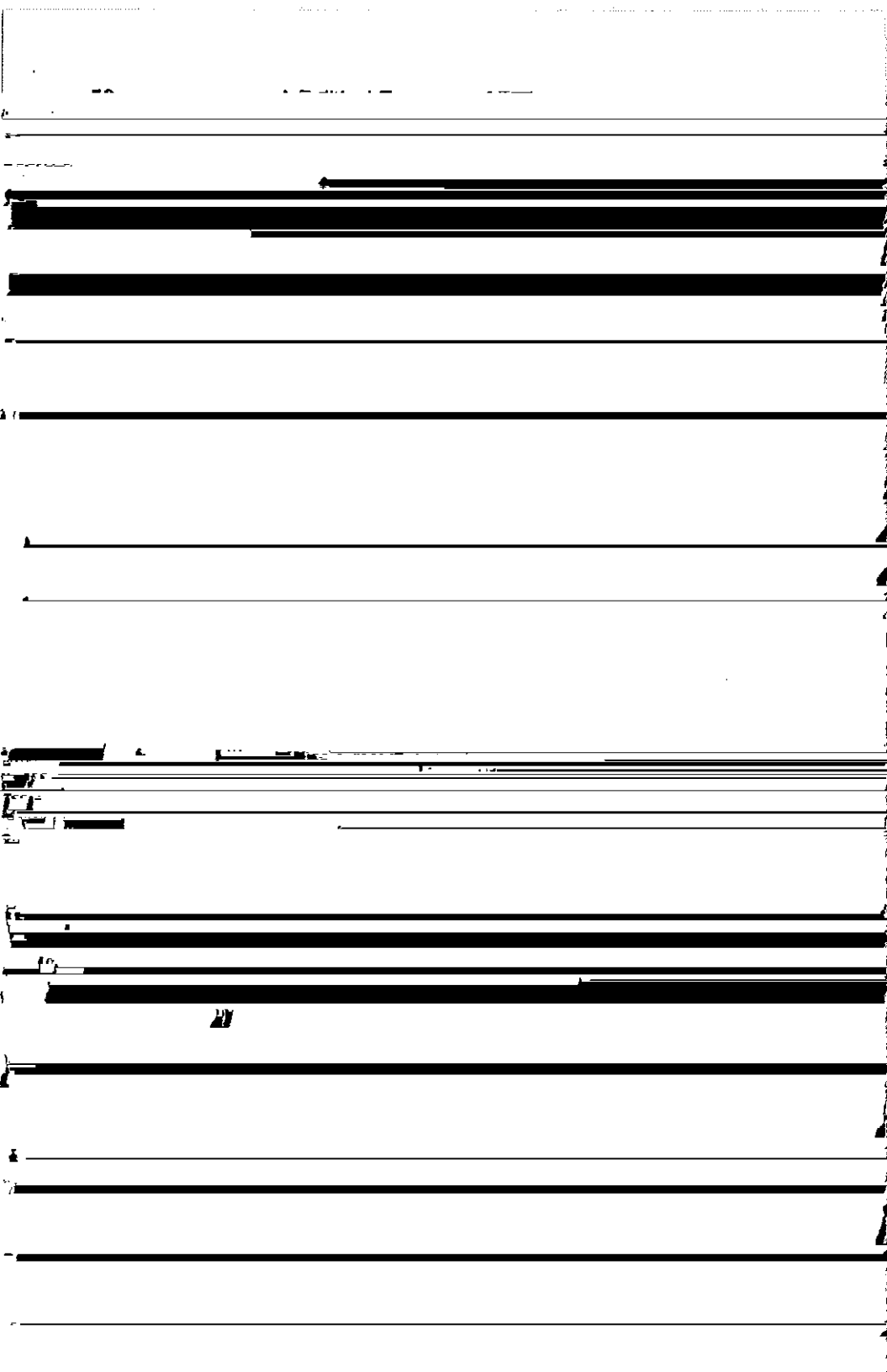
of some 43 percent of all federal programs. See Gunlicks, *Local Government in the German Federal System*, 107-08.

Group System," in Allan J. Cigler and Burdett A. Loomis (eds.), *Interest Group Politics* (Washington D.C.: CQ Press, 1986), 162-82.

152. Sidney Blumenthal *The Rise of the Conservative Intellectual Movement in America*

153. Schlosman - 1982 - 1983

154. Schlosman - 1984 - 1985



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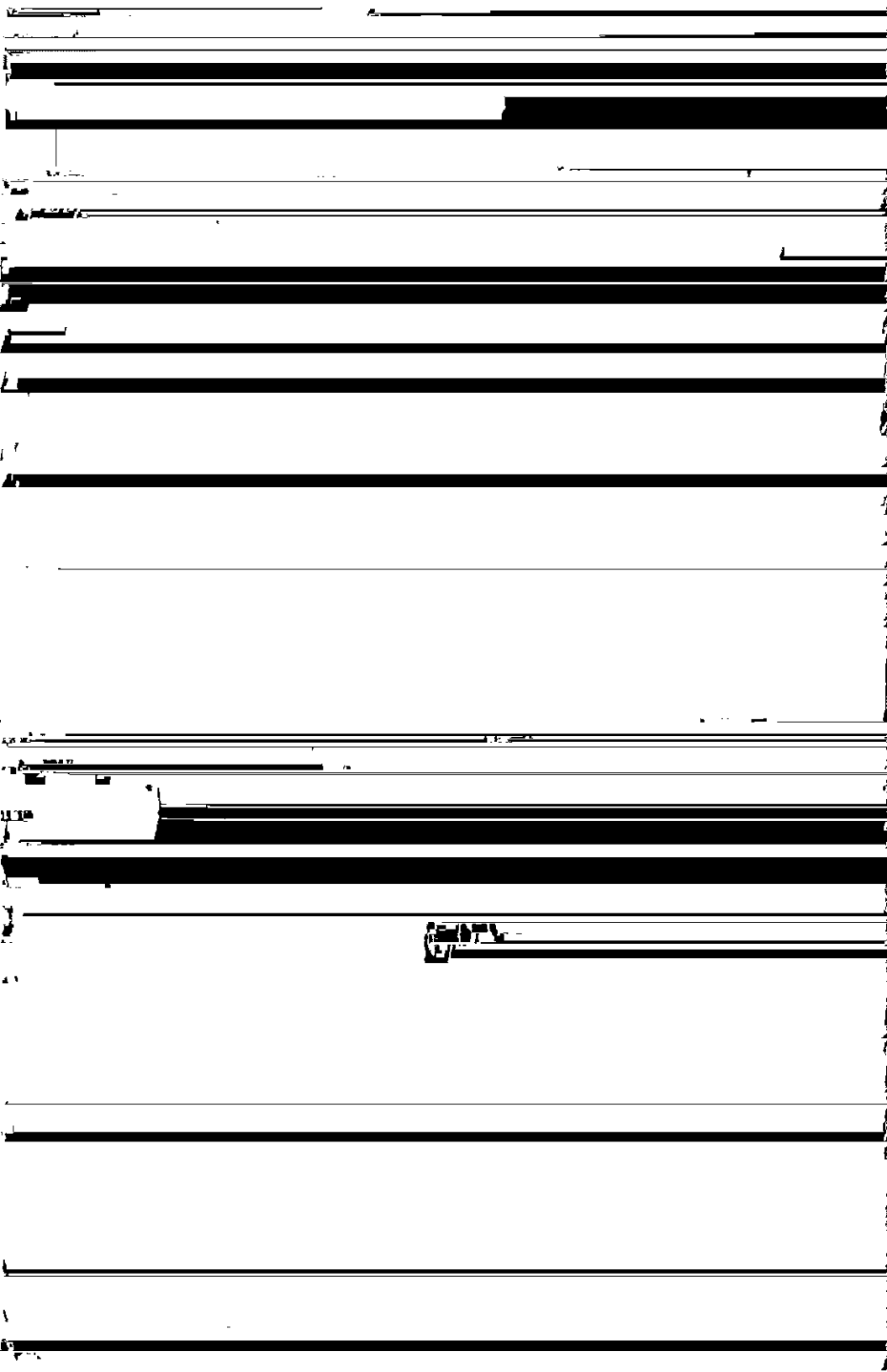
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212. Ibid., quoting Stanley M. Beck, "Corporate Power and Public Policy," in *Consumer Protection and Environmental Law, and Corporate Power* (Toronto: University of Toronto Press, 1985), 200-201. Pross, in *Group Politics and Public Policy*, also recognizes the privileged position of business as compared to con-

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[The page contains several large, empty rectangular boxes, likely representing redacted content or placeholders for text. The boxes are separated by thin horizontal lines.]

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