



# How do you govern a federal capital?

BY CAROLINE VAN WYNSBERGHE

**The** capital of a federal country can be an exciting place — the cities of Berlin, Vienna, Buenos Aires and New Delhi are alive with culture, history and ambience that go back centuries.

But each federal capital faces at least two problems no ordinary metropolis has:

- how to fit in the legislature, the ministries, the security and diplomatic needs, and
- how to avoid the appearance of favouring one particular state or province.

Federal capitals, like those of unitary states, must ensure the security of state institutions as well as that of foreign embassies and delegations. Yet a federal capital must also be a place where all the inhabitants of a country can come together and feel at home. If the country is either big or multicultural — such as Russia, Canada, the United States, Brazil, Belgium and Switzerland — that's another difficult problem. And a federal capital must also generate a certain amount of national pride. No one constituent unit must be favoured over any other, nor must any part feel that it is being neglected so that another part can thrive or gain. Diplomacy, even-handedness and neutrality are essential characteristics.

Every federation is the ultimate guarantor of its capital's neutrality, which explains why federations can claim the right to have a say in the administration of their capitals. The city council of a capital may find itself limited by federal initiatives. This problem — how to balance local and federal interests — is the key to governing every federal capital.

## No perfect models

There are no ideal models or definitions of a perfect federal capital, so each federation must come up with its own solution. There are, however, these key characteristics of any federal capital:

- the capital's position within the federal structure,
- its autonomy and powers,
- its financial independence and budget management,

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*Ottawa: the Canadian parliament.*

- its representation in the federal parliament and
- its geographic location.

Politically, the three types of federal capitals are

1. a city-state
2. a capital within a state or province
3. a federal district

Capitals that are city-states and capitals within a constituent unit are found, for the most part, in Europe.

Berlin, Brussels, Moscow and Vienna are city-states — that is, cities that also enjoy the status of constituent units of the federation. Although it bears the title of a “federal city”, Berne is not only a federal capital but it is also a city in the canton of the same name — and the capital of that canton! Ottawa, the Canadian capital is unique in North America. It is the only federal capital that is a city within one constituent unit. The situation is a bit complicated since Canadian federal ministries are located in both Ottawa (in the province of Ontario) and in Gatineau (in the province of Quebec). Nevertheless, the city of Ottawa receives its charter from the province of Ontario.

Federal districts, on the other hand, enjoy an autonomy that is often limited in comparison to that of the country's other constituent units. Washington, the American capital, is an historical example of this. The design of Washington — in the District of Columbia, which was carved out of parts of the states of Maryland and Virginia — has served as an inspiration for the creators of other federal districts like Brasilia, Canberra and Abuja (the new Nigerian capital). Mexico City, Buenos Aires, Caracas and Kuala Lumpur, Islamabad and New Delhi also bear the title of federal district.

## Who wields power in federal capitals?

The powers of federal capitals are significantly different for federal districts, city-states and cities within a federated entity. Federal districts often have fewer powers than those enjoyed by the other provinces or states of the federation to which they belong. Unlike the other states of Brazil, Brasilia has no legal jurisdiction and the federal authorities also look after the capital's police force and fire-fighting services. Yet Brasilia possesses some local powers that the other states of the union do not have, and the situation is pretty much the same in Buenos Aires. Washington, D.C., achieved “home rule” only in 1973. In most federal districts, an agency answering to the federal government is responsible for urban planning.

This is also the case with Ottawa, which is not the capital of a constituent unit. But this is a situation unknown in Berne or in any of the other federal capitals of Europe. Berne is first and foremost a city whereas the others, as city-states, hold municipal powers concurrently with those enjoyed by a *Land* (Vienna or Berlin) or a region (Brussels).

The specific missions of federal capitals, such as providing security for state institutions and maintaining first place among the other cities in the country, are quite costly. Some capitals receive transfer payments to defray costs associated with their special status, while others do not. A capital's sources of funding can say a lot about the extent of its independence. Thus, if the federal government plays a part in setting or managing the city's budget, it can, in return, demand a say in how resources are allocated. If, on the other hand, the federal government gives no money to the capital, the city has to cover all its expenses by itself; but the federal government cannot then have any veto power over the capital's budget. Thus the question of financial independence has two sides: does the capital receive federal transfer payments to defray its costs, and is it free to draw up its own budget?

As a general rule, city-states and capitals of constituent units are not entitled to compensatory transfer payments as such. While these capitals may benefit from varying degrees of federal participation, this is usually restricted to cultural matters and security issues. The European capitals are financially independent, a situation found less often among federal districts. Two examples will illustrate our point. During the 1990s, Washington's finances were placed under the control of a committee appointed by the federal authorities, and Congress still has a say in how the American capital's budget is managed. Mexico City's budget must pass muster before the federal parliament, after being submitted by the Mexican president in response to a request from the head of the district government.

### **Who represents the citizens?**

Another question pertains to how capitals are represented at the federal level. Federal parliaments are generally made up of two assemblies, one representing the people (the lower house) and the other representing the federated states (the upper house).

Capitals located in constituent units are not federal subjects and thus would have a difficult time getting representation at federal levels. City-states and to federal districts, however, can make a stronger case for representation federally. City-states are in every respect constituent units, a situation that leads to representation identical to that of entities at the same level, such as the *Länder* in Germany and Austria and the regions in Belgium. On the other hand, the rules for federal districts vary.

While Abuja, Brasilia, Buenos Aires, Canberra and Mexico City have, to varying degrees, deputies in both Houses, Washington does not have any senators and is limited to one non-voting delegate in the House of Representatives. This has given rise to protest movements by people demanding equitable representation. Their main argument has been that the inhabitants of the District of Columbia

pay taxes just like other Americans and that, by virtue of this fact, they are entitled to have their concerns heard by Congress; in other words, they should at least have representation in the House proportional to the population of the capital. Representation in the Senate would probably be harder to achieve, since some might take this to mean recognizing Washington as an American state.

### **Intentional vs. traditional capitals**

Finally, federal capitals differ in one other crucial respect. Were they planned or did they exist before they became the capital? Those that were planned, from the ground up, to be the home of the main federal institutions have a very different look and feel to cities that existed before becoming capital cities, or else have always been capitals.

City-states and capitals situated in constituent units are always historical. The federal districts, on the other hand, are for the most part new cities. At issue here is the neutrality required for the development of federal capitals. This is why governments have often preferred to build capitals in previously uninhabited areas, although other factors such as climate, accessibility, geographic centrality and security do come into play. Brasilia, Abuja and Canberra are based on the Washington model, while New Delhi was built as an extension of the "old" Delhi. Islamabad, for its part, was built because Karachi, which was already the capital of its province, could no longer play both roles. Mexico City and Kuala Lumpur are two historical federal districts.

Federal capitals therefore have many points in common, but these characteristics can change with time. Since the late 19th century there has been a tendency toward giving federal districts greater autonomy. Sometimes this took the form of general powers or financial autonomy, and sometimes it took the form of local representatives who would be, for the most part, elected — as opposed to appointed by the president of the federation. Historically, capitals of constituent units and city-states have always been more independent.

Thus the issue of balancing local and federal interests has not led to the same solution everywhere. There is no magic model that will work everywhere. One can foresee, however, than in democratic countries the ideal balance would be one that had a successful mechanism for resolving conflicting claims or demands for reform from either citizens or federal or local authorities — a mechanism that was satisfactory to both federal and local actors. 6

### **Further reading:**

- Harris, Charles Wesley. *Congress and the Governance of the Nation's Capital: The Conflict of Federal and Local Interests*. Washington, D.C.: Georgetown University Press, 1995.
- Rowat, Donald C. *The Government of Federal Capitals*. Toronto: University of Toronto Press, 1973.