In its work around the world, the Forum of Federations is frequently asked about “best practice” on this or that aspect of federalism. It is a perfectly reasonable question to put to us, given our network and expertise, but it is also a tough one. Answering it can entail two very different risks.

The first risk is of a kind of agnostic relativism to the effect that it is “hard to say what is best” because context is so fundamentally important that no arrangements are truly transferable. Each federal society must work out its own problems by finding solutions that fit its unique circumstances. Taken to its extreme, this view virtually amounts to saying we cannot learn from one another about political arrangements.

The second, opposite risk is of an abstract approach that treats all questions about “best practice” as amenable to rather technical, universal answers. This can be seen, for example, in some economists’ writings on prescriptive criteria for allocating legislative and revenue-raising responsibilities between central and constituent unit governments, and in some political scientists’ writings on the merits of parliamentary versus presidential-congressional institutions (would the USA really be better with a parliamentary regime?) or what is the “best” model for upper houses (would the German model really suit India?).

Highly diverse federations need policies for dealing with several languages. While language can be deeply divisive, many federations have reached consensus and “settled” the issue. But it is striking how different their approaches are: fairly strict territorially-based language rights in some cases; more diffuse, individually-based rights in others. It is not obvious which is “best”.

On fiscal federalism, we know much about techniques to limit destructive tax competition and leakage, to promote tax harmonization and efficient collection, and to equalize fiscal capacity across a federation. But appropriate techniques—and even objectives—in a particular federation may depend heavily on its sense of shared community, equity and the division of sovereignty.

While such questions rarely reveal a single “best practice”, there is still much to learn from successful and unsuccessful experiences, and from more general reasoning about institutions, economics and political philosophy. This does not always make for quick and easy answers, but the scarcity of universal “best practices” should not detract from the value of comparative federal studies.

Best Practice

President’s page
George Anderson

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