

The International Evolution of Federal Systems in the Twentieth Century

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1. Introduction

Others in this session are speaking on the history of federalism in Mexico and on the history of federalism more generally before the 20th century. The task assigned to me is to cover the international evolution of federal systems in the past century. John Kincaid has addressed the earlier history of federalism, particularly the development of the concept of federalism leading up to the 18th Century when the United States (1789), the first modern federation was established. This was followed in the 19th Century by Switzerland (1848) and Canada (1867), all three still in operation and among the longest continuing constitutional systems anywhere in the world. During the 19th Century a number of federal initiatives occurred also in Latin America, including Mexico, but their evolution has been disrupted on a number of occasions.

But it was during the 20th Century that federal political systems became widespread, so much so that at the beginning of the 21st Century there were some 24 countries, including Mexico, that called themselves federations or met the criteria usually accepted for a federation. Indeed, today, those federations contain about two billion people representing 40 percent of the world's population and encompassing in all about 480 constituent units of federated states. In addition to these federations there have emerged new variants in the application of the federal idea. One notable example is the European Union in which individual states have pooled their sovereignty, as they express it, in a hybrid structure involving both confederal and federal elements.

(1) *Before 1945*

2. The varying popularity of the federal solution during the 20th Century

The popularity of the federal solution has varied in different periods in the twentieth century. Prior to 1945, the general attitude seemed to be one of benign contempt for the federal form of

government. Federation was seen by many, especially in Europe, as incomplete national government, as a transitional mode of political organization, as a not really desirable but necessary concession in exceptional cases to accommodate political divisiveness, and as a product of human prejudices or false consciousness preventing the realization of unity through such compelling ideologies as radical individualism, classless solidarity, or the General Will.

Indeed, writing in 1939 Harold Laski in an article entitled, 'The Obsolescence of Federalism' declared: 'I infer in a word that the epoch of federalism is over.' Federalism in its traditional form, with its compartmenting of functions, legalism, rigidity and conservatism was, he suggested, unable to keep pace with the tempo of modern economic and political life that giant capitalism had evolved. Federalism was, he argued, based on an outmoded economic philosophy, and was handicap in an era when positive government action was required. Decentralized unitary government, he concluded, was much more appropriate to the new conditions of the Twentieth Century. Sir Ivor Jennings, a noted British constitutionalist (who was to be an advisor in the 1940s and 1950s in the creation of several new federations within the British Commonwealth) once wrote that 'Nobody would have a federal constitution if he could possibly avoid it.'

3. The Period Between 1945 and 1960

But while in 1945 the federal idea appeared to be on the defensive, the following decade and a half saw a remarkable array of governments created or in the process of construction that claimed the designation 'federal.' Indeed only eight years later, Max Beloff was able to assert that the federal idea was enjoying 'a widespread popularity such as it had never known before.'

One source of this popularity was the pronounced post-war prosperity of the long-established federations such as the United States, Switzerland, Canada and Australia.

The popularity of the federal idea after 1945 stemmed even more, however, from the conditions accompanying the break-up of colonial empires at that time. The units of colonial government were often merely the product of historical accident, of the scramble for empire, or of administrative convenience. As a result, the colonial political boundaries rarely coincided with the distribution of the racial, linguistic, ethnic or religious communities, or with the locus of economic, geographic, and historical interests. In these circumstances, the creators of the new states approaching independence found themselves faced with simultaneous conflicting demands for territorial integration and balkanization. They had to reconcile the need, on the one hand, for relatively large economic and political units in order to facilitate rapid economic development and to sustain genuine political independence, with the desire, on the other hand to retain the authority of the smaller political units associated with traditional allegiances representing distinct racial, linguistic, ethnic and religious communities. In such situations, where the forces for integration and separation were at odds with each other, both political leaders of nationalist independence movements and colonial administrators found in the Afederal solution@a popular formula, providing a common ground for centralizers and provincialists. The result was a proliferation of federal experiments in the colonial or formerly colonial areas in Asia, Africa and the Caribbean. These included India (1950), Pakistan (1956), Malaya (1948) and then Malaysia (1963), Nigeria (1954), Rhodesia and Nyasaland (1953), the West Indies (1958), Indochina (1945-7), French West Africa (A.O.F.) and its successor the Mali Federation (1959), French Equatorial Africa (A.E.F.), and Indonesia (1945-9). In addition, a functional confederation, the East Africa High Commission (1947), was devised to administer common services in that region. During the same period, in South America, where the federal structure of the United States had often been imitated at least in form, ostensibly federal constitutions were adopted in Brazil (1946), Venezuela (1947) and the Argentine (1949).

Meanwhile in Europe where World War II had shown the devastation that ultra nationalism could cause, the federal idea gained salience, and progress in that direction was begun with the creation of the European Communities. At the same time within Europe, West Germany in 1949 adopted a federal constitution.

Thus the first decade and a half after 1945 proved to be the heyday of the federal idea. In both developed and developing countries the Afederal solution@was seen as a way of reconciling the two powerful and often strongly opposed motives: the desire on the one hand for larger political units required to build an effective and dynamic modern state, and the search on the other for identity through smaller self-governing political units.

4. The Period Between 1960 and the Late 1980s

From the 1960s on, however, it became increasingly clear that federal systems were not the panacea that many had imagined them to be. Most of the post-war federal experiments experienced difficulties, and a number were abandoned or temporarily suspended. Examples were the continued internal tensions and the frequency of resort to emergency rule in India, the secession of Bangladesh from Pakistan, the separation of Singapore from Malaysia, the Nigerian civil war and subsequent

prevalence of military regimes, the early dissolutions of the Federation of the West Indies and the Federation of Rhodesia and Nyasaland, the disintegration of the federal efforts in the former French colonial areas Indochina, West Africa and Equatorial Africa, and the eventual demise even of the East African Common Services Organization.

These experiences suggested that even with the best of motives, there were limits to the appropriateness of federal solutions. Furthermore, the experience of Latin America where many of the constitutions were federal in form but in practice operated in an essentially unitary manner, added further to the scepticism about the utility of federation as a practical approach in countries lacking a long tradition of respect for constitutional law. In Europe, the slowness of progress towards integration at least until the mid 1980s, also seemed to make the idea of an eventual federal Europe more remote.

In addition, at the end of this period, the disintegration of the former authoritarian centralized federations, the Union of Soviet Socialist Republics, Yugoslavia and Czechoslovakia, showed the limitations of such federal façades, and led in some of those areas to a reluctance to adopt new federal arrangements because their past history of federal structures had been identified with centralization and authoritarianism.

5. The 1990s

Despite these developments, the past decade has seen a revival of interest in the federal idea, although with a more realistic appreciation of its possibilities and limitations. Political leaders, leading intellectuals, and even some journalists, have increasingly referred to federalism as a liberating and positive form of political organization. Belgium, Spain, South Africa and a number of Latin American countries have been moving to new federal forms, and a number of other countries such as the United Kingdom and Italy have incorporated some federal features, although not necessarily all the elements of a full-fledged federation. Furthermore, the European Community has regained its momentum in its evolution into the European Union.

To what can this renewed interest in federalism be attributed? One major factor has been recognition that an increasingly global economy has unleashed centrifugal economic and political forces weakening the traditional nation-state and strengthening both international *and* local pressures. My colleague Tom Courchene at Queen's has labelled this trend >glocalization.= Global communications and consumership have been awakening desires in the smallest and most remote villages around the world for access to the global market place of goods and services. As a result national governments are faced increasingly with the desires of their populaces to be both *global* consumers and *local* citizens at the same time. Thus, the nation state is at the same time proving both too small and too large to serve the desires of its citizens. Furthermore, the spread of market-based economies is creating socioeconomic conditions conducive to support for the federal idea: emphasis upon contractual relationships; recognition of the non-centralized character of a market economy; entrepreneurial self-governance and consumer rights consciousness; the thriving markets

on diversity rather than homogeneity; interjurisdictional mobility and competition as well as cooperation; and recognition that people do not have to like each other in order to benefit from each other.

All these factors have contributed to the renewed interest in federalism: not as an ideology, but in terms of practical questions about how to organize and distribute political powers in ways that will enable the common needs of people to be achieved while accommodating the diversity of their circumstances and preferences. This revival of interest in federal political systems differs however from the enthusiastic proliferation of federations that occurred in the first decade and a half after 1945. Experience since has led us to a much more cautious, sanguine and realistic approach.

6. The effectiveness of federal systems:

Experience points to some positive things worth noting about the effectiveness of federal political systems:

- \$ The United States (1789), Switzerland (1848), Canada (1876) and Australia (1901) are among the longest continuously operating constitutional systems anywhere in the world today.
- \$ Furthermore, in its latest annual Index of Human Development, issued in mid 2001, the United Nations ranked Australia second only to Norway in terms of quality of life, based on a weighed average of life expectancy, adult literacy, school enrolment and per capita gross domestic product.
- \$ The index also identified four federations among the top six countries, Australia, Canada, Belgium and the United States, with Switzerland and Germany not far behind.
- \$ Recent empirical comparative studies (such as those edited by Ute Wachendorfer-Schmidt, 2000) have suggested that federal systems do make a difference for policy-making and performance when compared to unitary states. Federations, it would appear, because of the particular constraints and opportunities for political action that they provide, have generally, although not universally, been characterized by improved macroeconomic outcomes such as higher rates of growth and reduced inflationary pressures, and by more genuinely democratic governance and political stability. Of course, the historical and cultural context, and the particular variant of federal institutions adopted have also been important factors affecting the relative effectiveness of different federations.

7. The lessons from experience: the foundations for effective federalism

At the same time, the international experience of federations over the past sixty years, has taught us four major cautionary lessons:

- \$ First, federal political systems *do* provide a practical way of achieving through democratic representative institutions, the benefits of both unity and diversity, but they are clearly *not* a panacea for all of humanity's political ills.
- \$ Second, given the inevitable interdependence of the different governments that constitute a federal partnership, an essential feature in practice has been the development of effective intergovernmental collaboration that does not at the same time smother the autonomy and initiative of governments at all levels.
- \$ Third, the degree to which a federal political system is effective depends not just on its constitutional structure, but even more on the degree to which there is a public acceptance of the political culture of federalism, of the need to cherish diversity and to develop mutual respect, of a sense of shared rule and community, of respect for constitutional norms, and of the spirit of tolerance and compromise. Without these, a federal constitution may be a mere facade beneath which authoritarianism and centralization may prevail.
- \$ Fourth, the extent to which a federal system can accommodate political realities depends not just on the adoption of federal arrangements, but upon whether the particular form or variant of federal institutions developed gives adequate expression to the needs of *that* particular society.

8. Variety in the application of the federal idea

There is no single universal ideal form of federation. There have been many variations in the application of the federal idea. Examples are the wide variations among federations in the number and size of their constituent units, in the form and scope of the distribution of legislative and executive powers and financial resources, in the degree of centralisation or decentralisation, in the degree of economic integration, in the character and composition of their central institutions, in the processes for facilitating intergovernmental collaboration, in the structure and role of their courts, and in the emphasis upon individual or collective rights. Furthermore, while intergovernmental interdependence is a feature of all federal political systems, the degree to which intergovernmental relations are interlocked, as in Germany, or more at arm's length, as in Canada, has varied greatly.

Ultimately, federalism is a *pragmatic*, prudential technique, the applicability of which may well depend upon the *particular* form in which it is adopted, or even upon the development of new *innovations* in its application.

Indeed, a significant feature in recent years has been the number of innovations in the application of the federal idea. Three recent trends in particular are worthy of mention.

One has been the development of hybrids combining elements of federal and unitary institutions, as in South Africa, or of confederal and federal institutions, as in the European Union.

Another has been the trend for federations themselves to become constituent members in wider federal systems or supra-national organisations such as the European Union or NAFTA.

Yet another development has been the increasing number of cases of asymmetry in the relation of constituent units to a federal or quasi-federal system. Canada, Malaysia, India, Spain, Russia, the United Kingdom and the European Union provide notable examples.

9. Conclusions

In conclusion, I would emphasize that at the beginning of the 21st century there is a great deal of fluidity in the application of the federal principle with a widening variety of federal institutions and practices around the world. That was one of the reasons the international Forum of Federations was established two years ago: to provide opportunities for governments at all levels in different federations, and for practitioners and academics to exchange information on their experience in operating federal institutions.

Experience indicates that federations are never static but must continually evolve to meet changing needs and circumstances. Just as Milton argued that liberty can never be won once and forever, but must be defended anew by every generation, so federalism requires a renewed commitment by each generation to achieve anew in changing conditions the appropriate federal balance between unity and diversity.