



## The Relevance Today of the Federal Idea

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In the contemporary world federalism as a political idea has become increasingly important as a way of peacefully reconciling unity and diversity within a political system.

Modern developments in transportation, social communications, technology, and industrial organization have produced simultaneous pressures not only for larger states but also for smaller ones. Thus, there have developed two powerful, thoroughly interdependent, yet distinct and often actually opposed motives: the desire to build an efficient and dynamic modern state, and the search for distinctive identity. The former is generated by the goals and values shared by most Western and non-Western societies today: a desire for progress, a rising standard of living, social justice and influence in the world arena; and by a growing awareness of world-wide interdependence in an era whose advanced technology makes both mass destruction and mass construction possible. The latter arises from the desire for smaller, self-governing political units, more responsive to the individual citizen, and from the desire to give expression to primary group attachments – linguistic and cultural ties, religious connections, historical traditions, and social practices – which provide the distinctive basis for a community's sense of identity and yearning for self-determination.

Given these dual pressures throughout the world, for larger political units capable of fostering economic development and improved security on the one hand, and for smaller political units more sensitive to their electorates and capable of expressing local distinctiveness on the other hand, it is not surprising that the federal solution should have considerable appeal. Federalism provides a technique of

constitutional organization that permits action by a shared government for certain common purposes, together with autonomous action by constituent units of government for purposes that relate to maintaining their distinctiveness, with each level directly responsible to its own electorate. Indeed, taking account of such examples as Canada, the United States and Mexico in North America, Brazil, Venezuela and Argentina in South America, Switzerland, Germany, Austria, Belgium and Spain in Europe, Russia in Europe and Asia, Australia, India, Pakistan and Malaysia in Asia, and Nigeria, Ethiopia, and South Africa in Africa, some 40 percent of the world's population today live in countries that can be considered or claim to be federal, and many of these federations are clearly multicultural or even multinational in their composition.

Indeed, there seems in the past decade to have been an international burgeoning of interest in federalism. Political leaders, leading intellectuals and even some journalists increasingly speak of federalism as a healthy, liberating and positive form of organization. Belgium, Spain, South Africa, Italy and the United Kingdom appear to be emerging towards new innovative federal forms, and in a number of other countries some consideration has been given to the efficacy of incorporating some federal features, although not necessarily all the characteristics of a full fledged federation. Furthermore, the European Union, with the addition of new member-states, seems to have regained some of its lost momentum in the evolution of its unique confederal-federal hybrid institutions.

To what can this increased interest in federalism be attributed? One major factor has been the recognition that an increasingly global economy has unleashed centrifugal economic political forces weakening the traditional nation-state and strengthening both international and local pressures. As a result national governments are faced increasingly with the desires of their populaces to be both *global* consumers and *local* self-governing 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.

These developments have contributed to the current interest in federalism, not as an ideology, but in terms of practical questions about how to organize the sharing

and distribution of political powers in a way that will enable the common needs of people to be achieved while accommodating the diversity of their circumstances and preferences.

This interest in federal political systems differs, however, from the enthusiastic proliferation of federations in the formerly colonial areas that occurred in the first decade and a half after the Second World War. Experience since has led to a more cautious and realistic approach.

Experience since 1945 has taught us three major lessons. *First*, federal political systems *do* provide a practical way of combining, through representative institutions, the benefits of unity and diversity, but they are no panacea for all of humanity's political ills. *Second*, the degree to which a federal political system can be effective will depend upon the extent to which there is acceptance of the need to respect constitutional norms and structures and upon an emphasis on the spirit of tolerance and compromise. *Third*, effectiveness also depends upon whether the particular form or variant of federal system that is adopted or evolved gives adequate expression to the demands and requirements of the particular society in question.

There is no single ideal federal form. Many variations are possible in the application to the federal idea. Examples are the variations among federations in the degree of cultural or national diversity which they attempt to reconcile, in the number and size of their constituent units, in the distribution of legislative and administrative responsibilities and financial resources among the levels of government, in their degree of centralization or decentralization and degree of economic integration, in the character and composition of their central institutions, in the processes for intergovernmental relations, and in the roles of federal and constituent governments in the conduct of international relations. Ultimately federalism is a *pragmatic* and *prudential* technique whose applicability in a particular situation may well depend upon the *particular* form in which it is adopted or adapted or even upon the development of *new innovations* in its application.

Three particular recent innovations are worthy of note. One is the hybrid character of the post-Maastricht institutional structure of the European Union which combines in an interesting way both confederal and federal features.

Another innovation that has come to the fore is the increasing trend for federations themselves to become constituent members of even wider federations or supranational organizations. Germany has been a pioneer in adjusting its internal federal relations to its membership in the European Union, but these issues have applied also to Belgium, Spain and Austria. The three member countries of NAFTA, Canada, the United States and Mexico, are each federations and this has affected intergovernmental relations in each of them.

A third innovative contemporary trend is the acceptance of asymmetry, that is variation, in the relationship of particular member units within a federation or a supranational organization as a means to facilitating political integration. Examples of asymmetry in the relations of constituent units occur, for instance, within Spain, Belgium, Canada, Malaysia and the European Union.

In the light of these examples, the comparative analysis of possible variations, alternatives and innovations among federations, and the exchange of their experiences among practitioners in different federations is particularly relevant today. Equally important is the study of the *pathology* of federations, confederations and other federal forms to identify circumstances that are likely to lead to difficulties. The examination of these positive and negative examples should contribute to a more realistic understanding of the potential effectiveness or ineffectiveness of different kinds of federal arrangements and processes.