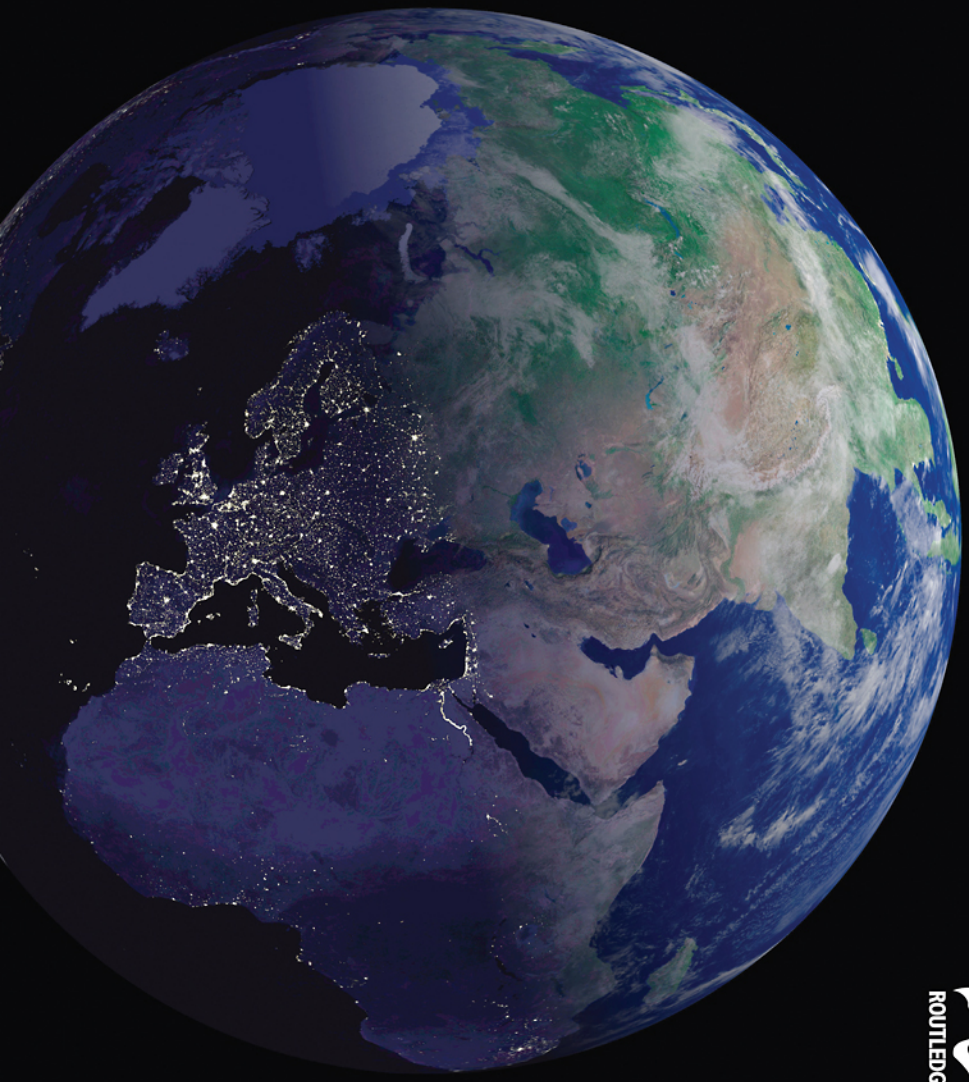
The Rise of Regional Authority

A Comparative Study of 42 Democracies

Liesbet Hooghe
Gary Marks
Arjan H. Schakel



ROUTLEDGE

The Rise of Regional Authority

Most countries around the globe have one or two levels of regional or intermediate government, yet we have little systematic idea of how much authority they wield or how this has changed over time.

This book measures and explains the formal authority of intermediate or regional government in 42 advanced democracies, including the 27 EU member states. It tracks regional authority on an annual basis from 1950 to 2006. The measure reveals wide variation both cross-sectionally and over time. The authors examine four influences – functional pressures, democratization, European integration, and identity – to explain regionalization over the past half-century.

This unique and comprehensive volume will be a vital resource for students and scholars of comparative politics, public administration and public management, federalism, democratization, nationalism, and multilevel governance.

Liesbet Hooghe is Zachary Taylor Smith Professor of Political Science at the University of North Carolina and is Chair in multilevel governance at VU Amsterdam.

Gary Marks is Burton Craige Professor of Political Science at the University of North Carolina and is Chair in multilevel governance at VU Amsterdam.

Arjan H. Schakel is Newton International Fellow at the University of Edinburgh.

'This book represents a major advance in the study of regional government and spatial rescaling. It is a fascinating study in its own right, but also an invaluable data set for scholars of comparative government and politics.'

Michael Keating, Professor of Politics, University of Aberdeen

'This book is a must for any scholar, student and politician who want to know more about how governments are structured. It combines cutting-edge methodology with the authors' deep knowledge of regions.'

Beate Kohler-Koch, Professor at the International Graduate School of the Social Sciences, Bremen

'The Regional Authority Index will shape debates and analysis in the field of regional governance and decentralization for years to come. This book is its definitive exposition and offers a unique rich source for understanding cross-national variation in the role of subnational government.'

Edward C. Page, Sidney and Beatrice Webb Professor of Public Policy, London School of Economics

'This is by far the most thorough attempt to measure the powers of regional governments in a large sample of countries. Given the growing importance of regional authorities around the world, it is a timely contribution to the literature, and the careful documentation of coding decisions will make it a valuable resource to scholars for years to come.'

Jonathan Rodden, Associate Professor in Political Science, Stanford University

'For years, the study of political decentralization has been bedeviled by the paucity of credible, precise measures of how authority is divided among the various levels within the world's states. In a book sure to become a vital resource for empirical scholars, Hooghe, Marks, and Schakel provide the most meticulous measures available of regional powers in the largest countries. A model of transparency and attention to nuance, the book synthesizes and transcends previous scholarship in this area, and offers the most compelling portrait to date of the current trend towards regional autonomy.'

Daniel Treisman, Professor of Political Science, University of California, Los Angeles

'The study of decentralized governance, multi-level politics and regional governance is of mounting importance in a broad swath of the social sciences. To date, researchers have been stuck with very dissatisfying public finance data from the IMF, horrible indicators from the Polity data set and sundry other sources of dubious value. This book fills a gaping hole in that literature.'

Erik Wibbels, Duke University

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Foreword

Governance is back on the political agenda. At the global level, co-operation is required to mitigate the world's most systemic crisis of the past eight decades, to tackle climate change, to address demographic changes, and to draft a roadmap for economic sustainability with new instruments that measure development beyond GDP. Transnational networking, effective co-operation, shared management, burden sharing, co-responsibility, openness, and integrated horizontal policy making are key notions in the effort to co-govern globalization.

The European Union has a great deal to offer in this respect, both in terms of the values it promotes and as an honest broker at the international level. The EU is well placed to do this because it embraces the rule of law and respects fundamental freedoms, human dignity, equality, and partnership. Since the design of its regional policy in the 1980s, the EU has made partnership legally binding, requiring member states to involve all levels of government together with socioeconomic actors (and recently also social partners) to reflect collectively on the development of a given territory.

The Maastricht Treaty of 1993 was a landmark. First, it made it possible for regional ministers to participate in Council meetings. Second, it enshrined the subsidiarity principle in primary law by stipulating (in Article 3b) that 'the Community shall take action . . . only if and in so far as the objectives . . . cannot be sufficiently achieved by the Member States and can therefore, by reason of the scale or effects of the proposed action, be better achieved by the Community.' In addition to vertical subsidiarity among various levels of governance, horizontal subsidiarity is gaining in importance. This requires member states to take on board private and societal partners to pursue public objectives. Third, the EU's Committee of the Regions (CoR) was created. According to its mission statement, the CoR is the political assembly of regional and local representatives across the EU. It safeguards the principles of subsidiarity and proportionality so that European decisions are taken and implemented closer to the citizen. The CoR promotes multilevel governance in the European Union by involving territories, regions, cities, and municipalities in the EU policy cycle, thus encouraging deeper public participation. Its actions are motivated by the belief that co-operation between the European, national, regional, and local levels will build an ever closer Union.

It is my conviction that the European Union should be built in partnership. We need to abandon the pyramidal hierarchical approach which places Europe above member states, member states above regions, regions above cities and local communities. We need a new partnership to bridge the gap between Europe and its citizens. Regional and local politicians are also European politicians! They can be a bridge between Europe and its citizens.

Thanks to the innovative thinking of Liesbet Hooghe and Gary Marks – the founders of multilevel governance (MLG) – the concept has been introduced in the EU lexicon as a form of good governance. MLG refers to a multilevel and multi-actor paradigm. It does not challenge the sovereignty of states directly, but describes how a multilevel structure is being created by various actors at various levels. In other words, MLG removes the grey area between intergovernmentalism and supranationalism. It is essentially multi-channelled: regions and cities ought to have the opportunity to choose freely which gateways they use to voice their concerns, ideas, and interests. This idea is closely related to participative democracy. As society becomes more pluralistic, so citizens wish to participate at various levels of government. Decision making is becoming more decentred, and top-down decisions are no longer acceptable. MLG offers an answer by conceptualizing how regions, cities, localities, and, ultimately, citizens, interconnect.

Today we can already identify several new instruments for MLG. One is the Covenant of Mayors. The Covenant expresses the commitment of 900 mayors across Europe to attain the EU's ambitious 20-20-20 climate change and energy goals. Seventy-five percent of Europe's energy consumption takes place in Europe's cities. The EU's ambitions can only be achieved together with Europe's mayors. Under the CoR's political leadership, Europe's Covenant of Mayors is co-ordinating with the US Conference of Mayors on the US Climate Protection Agreement, which mobilizes over 1,000 mayors from across the US. Since 2006, the CoR has supported the Lisbon Climate Change Monitoring Platform, which helps local and regional authorities in the EU acquire local climate knowledge and exchange good practice. Furthermore, the CoR will study opportunities for developing covenants in other policy areas – for example, on migration/integration or the Commission's new 2020 strategy to 'make the EU a smarter, greener social market'.

It is crucial to have regional and local politicians on board from the beginning of the decision-making process, not least because they are responsible for the implementation of international laws and supranational directives on the ground. They are the ones facing pollution, urban congestion, or waste management problems on a daily basis. They need to ensure that immigration and integration go hand in hand. They have to make growth and jobs happen. To provide the necessary political input, the CoR has recently adopted a White Paper on Multilevel Governance with concrete proposals for involving Europe's regions and cities in EU policy making. By creating a scoreboard for MLG, the committee can now monitor, on a three-year basis, the development of MLG within the EU. Hopefully this will lead to the

adoption of a European Charter on Multilevel Governance which would form the basis for inclusive European governance. This commitment is a perfectly logical extension of the CoR, which is itself an incarnation of multilevel governance.

I am against any form of overly strict delineation of competences, or *Kompetenz Abbachnung*. MLG is all about sharing competences, even sharing responsibilities, rather than partitioning competences. The legitimacy of the EU lies in its efficiency, its openness, its participation, accountability, effectiveness, delivery, and coherence. MLG strengthens each of these principles and guarantees their interconnectivity. In a Union of 27 member states (and probably even more in the future) the EU's community method is to be made more inclusive. The EU's open method of co-ordination should also be made more inclusive. There is good hope that the Commission's proposals on the EU's 20-20 Strategy will be based on MLG architecture. The European Parliament also advocates strengthening MLG in policies with a strong territorial impact. Besides, new strategies in relation to functional geographical areas clearly reflect an MLG logic, including for example the Baltic Sea Region Strategy recently adopted by the Council of Ministers. The EU Lisbon Treaty will only strengthen the case for MLG. Indeed, there is simply no other way forward than to involve local and regional representatives better, as well as the CoR, in EU decision making. I have been asked many times whether this represents a call for a 'Europe of regions' in place of a Europe of member states. My answer is that we need a 'Europe *with* regions, *with* cities, and *with* local authorities'.

These arguments are underpinned by the observation that regional authority is rising. In my opinion, this book by Liesbet Hooghe, Gary Marks, and Arjan Schakel is the first scholarly publication that has succeeded in adequately measuring the level of regional authority, and they do this for more than 40 democracies over 50 years. The authors demonstrate that regions are on the rise not only in Europe, but in other parts of the world as well. This suggests that MLG is relevant for world governance. And the World Bank, the UN, and the OECD have all stressed this.

I hope that the CoR's reflections, developed in partnership with the academic world, on multilevel governance in the European Union can inspire other regional blocs. It may even help bring about a genuinely *open and inclusive system of world governance*. If we are to sustain our planet we have to act together: share responsibilities, exchange good practice, and engage all levels of government and socioeconomic partners. This is my vision of an increasingly interdependent, multi-polar and multi-actor world.

I am deeply grateful to the authors for providing politicians with a scholarly basis for promoting a multilevel governance-based world.

Luc Van den Brande
President of the Committee of the Regions of the European Union

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This book is the first of a series of volumes estimating the territorial structure of government within and beyond the state. This project has been funded by the Chair in Multilevel Governance at the Free University of Amsterdam and an Advanced European Research Council Grant #249543, 'Causes and Consequences of Multilevel Governance'.

1 Measuring regional authority

> Mathematical statistics is concerned with the connection between inference and data. Measurement theory is concerned with the connection between data and reality. Both statistical theory and measurement theory are necessary to make inferences about reality.
>
> (Sarle 1997)

The structure of government – the allocation of authority across general-purpose jurisdictions – is perceived to affect political participation, accountability, ethnic and territorial conflict, policy innovation, corruption, government spending, democratic stability, and the incidence of human rights abuse. It has proved easier to formulate hypotheses concerning these and other effects of government structure than to test their validity. Most empirical studies use quite sophisticated, often direct, measures for the phenomena that are said to be affected by government structure (e.g. conflict, participation, government spending), but rudimentary, often indirect, measures for government structure itself.

The most refined data on government structure are financial data provided by the Organization for Economic Cooperation and Development (OECD). These data have been used to good effect, but they do not allow one to distinguish among levels of subnational government. Moreover, it is unclear whether or to what extent the authority of an institution is correlated with the amount of money it spends or raises. In several countries, as discussed below, the central state tells subnational governments not just how much they can spend, but on what they must spend it. Alongside these data are direct, but relatively crude, measures of the number of subnational levels, and categorizations, for example, of federal versus non-federal systems, whether or not subnational governments have residual powers, whether or not the central state can veto subnational decisions, whether or not subnational executives are elected, and whether or not subnational governments have revenue-raising authority.[1]

These measures have some serious limitations. They compress regional and local architecture into a centralization/decentralization dichotomy. Such

measures tap the extent to which the national state monopolizes authority, but they do not tell us how government below the national level is structured. They conceive government within countries in unidimensional terms as the 'other', the '*not* central state'. Centralization/decentralization measures, no matter how accurate, are ill-suited for inquiry into the scale and structure of government below the national state.

Existing measures focus on the fundamental distinction between federal and non-federal countries, but are insensitive to variation among federal countries or among non-federal countries (Rodden 2004).[2] As a consequence, such measures are biased against temporal variation. Most measures estimate a constant for each country over the post-Second World War period or, where they score countries over time, detect little change.[3] This has not stopped social scientists from hypothesizing sources and consequences of institutional change, but it has meant that hypotheses about change have been evaluated against data for different countries at one point in time.[4]

Lack of refined data has undoubtedly reinforced the tendency to treat countries as units for comparison. Variation in subnational government is usually conceived as variation in types of national state: unitary versus federal, Northern versus Southern European, rationalist versus conservative, Napoleonic versus bottom up, with a sprinkling of additional categories such as limited federal, organic federal, or union state. Such categories can serve as useful shorthand, but they are too crude to guide comparison among regions within a country or comparison over time. Regional government varies among – and within – Spain, Belgium, the United Kingdom, Russia, Canada. Countries that are typically categorized as unitary, such as Portugal and Denmark, contain regions that exercise considerable self-rule. Each of these countries, and a great many others besides, has seen considerable reform in subnational government, but one would hardly know this if one examined the categories into which such countries are placed.

Our purpose is to examine variation among regional governments in the knowledge that this is not the same as variation among national states. Methodological nationalism – the presumption that national states are the natural unit for macro-comparison – is demonstrably inappropriate for government within and beyond national states (Jeffery and Wincott 2010; Piattoni 2010; Schmitter 2009).[5] Rather than characterize subnational variation by country type, this study disaggregates to the regional level, and provides both regional and country-wide data on an annual basis.

Our interest in the topic springs from a desire to know more about how governments are structured. At no time in recorded history has a single set of units monopolized authority. Large units – empires and states – have always been several jurisdictional layers deep, and most medium and even small units have not been uni-level. The resulting pattern is far from uniform. There appears to be massive variation – over historical time and cross-sectionally – in the shape of government.

How might one conceive such variation? Individuals are encompassed in

multiple jurisdictions operating at diverse territorial scales from the local to the global. Only in rare cases do borders intersect, so it makes sense to speak of levels or tiers. Government – the exercise of legitimate authority – is structured across multiple levels of non-intersecting jurisdictions. The number of such levels for most people living today is between three and seven, of which between one and five exist within their national state. All have one or two levels of local government and one, two, or three levels of intermediate or regional government below the national level.

Why this structure? Why have what appears to be a convoluted pattern of jurisdictions instead of a simpler set-up, the centralized national state? How does the territorial structure of government vary across time and place, and how might one generalize about it? These are fundamental and difficult questions that lie at the heart of a science of politics, and which have been taken up both by political philosophers, including Aristotle, Rousseau, and Althusius, and by political scientists, such as Karl Deutsch, Daniel Elazar, and Robert Dahl.

The purpose of this book is to measure the authority of intermediate or regional governments in 42 democracies or quasi-democracies on an annual basis over the period 1950–2006. Twenty-nine OECD countries, the 27 countries that are members of the European Union (20 of these are members of the OECD), plus Albania, Bosnia and Herzegovina, Croatia, Macedonia, Russia, and Serbia and Montenegro are covered.

This chapter defines the unit of analysis – the region – and conceptualizes authority as having two domains – self-rule and shared rule – which are disaggregated along eight dimensions. The following chapter operationalizes these dimensions and sets out rules for interpreting variation along them. The appendices detail coding decisions and provide tables with scores for regions and countries.

Much effort is devoted to laying all of this bare before the reader to maximize the possibility that measurement errors may be detected and corrected. This is all the more important because, until these observations are replicated by others, their reliability cannot be estimated. To what extent would a second, third, or *n*th expert arrive at scores similar to the ones presented here? This question cannot be answered here. What can be done, however, is to compare our observations with those in existing datasets, while making the coding explicit so that others may replicate, amend, or refute our decisions (Marks 2007).

Even when conventional statistical measures of reliability are available, it is worthwhile specifying measurement procedures as precisely as possible. In principle, as Wittgenstein and Lakatos agree, all measurements are questionable. Even a simple laboratory experiment, such as testing the tensile strength of a thread by placing an iron weight on it, cannot produce observations capable of irrefutably disconfirming a hypothesis (Lakatos 1970: 184ff.). Perhaps, Lakatos asks, a magnet or some hitherto unknown force in the ceiling affected the pull of the iron weight; perhaps the tensile strength of the

thread depends on how moist it is; perhaps the scale for the iron weight was wrong; perhaps the thread did not break, but was only observed to break; perhaps the thread was not a thread, but a 'super-thread' with special properties. The scope for debating the validity of new evidence is no less great than the scope for adjusting a theory to cope with new evidence. However, as Adcock and Collier (2001: 531) note, some measurements are more questionable than others: 'At one extreme are concepts such as triangle, which are routinely understood in terms of a single conceptual systematization; at the other extreme are "contested concepts", such as democracy.' The measurement of regional authority is at least as difficult and contestable as that of democracy.

The implication, as Lakatos recognized, is that scientific observations do not stand in relation to scientific theories as judges to the accused, but are themselves cross-examined or otherwise 'put in the dock'. Observations, such as those made in this book, merely serve as one corner in 'three-cornered fights between experiment and rival theories' (Lakatos 1970: 115). Hence, it is worthwhile considering carefully the theoretical robustness of one's measurement assumptions and expose, rather than shield, one's conceptual decisions.

Region as a unit of analysis

The region is a rubbery concept stretching above and below the national state. The focus here is on subnational regions, but there is no generally accepted definition that will produce homogeneous units for cross-national comparison. The immediate task, then, is to conceptualize the region in a way that meets, as far as possible, normal linguistic usage while providing the researcher with a meaningful and unambiguous unit of analysis.

- A region refers to a *given territory* having a *single, continuous, and non-intersecting boundary*.
- Subnational regions are *intermediate* between local and national governments.
- A regional government is a *set of legislative and executive institutions responsible for authoritative decision making*.

For the purpose of this study, then, a regional government is the government of a *coherent territorial entity situated between the local and national levels with a capacity for authoritative decision making*.

This definition is a minimal one. It says nothing about the region as an economic, social, or cultural entity. Nor does it encompass possible sources of regional authority, such as regional mobilization, regional identity, or the degree of centralization or decentralization among political parties. We wish to facilitate empirical analysis of the causal relationships between these and regional authority, and so we seek to disentangle regional authority from its hypothesized sources.

Then there is the vexed issue of the possible existence of more than one level of regional government in a country. Local government and national government denote a lower and upper bound within which there may be more than one intermediate level. How does one determine which level is the regional? In previous work, Hooghe and Marks (2001) assessed the most authoritative level of regional government. But this is problematic, for it underestimates regional authority in countries where there are two or more regional levels. So this study encompasses all levels of government below the national level with an average population greater than 150,000.[6]

Authority as an aspect of political power

We wish to measure the extent to which a regional government exercises formal authority. Here standard political science definitions serve our purpose well (Dahl 1968).

- *Formal authority* is authority exercised in relation to *explicit rules*, usually, but not necessarily, written in constitutions and in legislation.
- *Authority* is *legitimate power* – power recognized as binding because it is derived from accepted principles of governance.
- *Power* is the ability of *A* to get *B* to do something that *B* would not otherwise do.

The distinctions here are important, for the power exercised by a regional government may be different from its formal authority. Formal authority is only one ingredient in the ability of a regional government to exert power – i.e. to get its way in the face of opposition.

To evaluate formal authority, one must delve into the rules of the political game, and hence into constitutions, special statutes, and, in some cases, established norms. But a valid measure of formal authority would not tell us how much power a regional government was able to exert. To do this, one would also have to take into account party structure, partisanship, regional and national leadership, public opinion, and much else besides.

So the measure developed here is merely one step, though a necessary one, in evaluating hypotheses about how regional institutions shape political outcomes. Are the effects of regional authority for economic growth, democratic stability, political violence, or corruption intensified (or moderated) when political parties are decentralized (Riker 1964) or when regions are culturally distinct (Lijphart 1999)? Only by defining authority precisely can one create a conceptual terrain that does not confound empirical analysis of such questions.

Disaggregating regional authority

A regional government has some degree of formal authority over certain actions in a particular jurisdiction. It is therefore necessary to specify (*A*) the

territory over which a regional government exercises authority; (*B*) the *depth* of that authority; and (*C*) the *spheres of action* over which it exercises authority.

With respect to *territorial scope of authority* (*A*), a regional government may exercise authority in its regional jurisdiction or it may do so in the country as a whole. This is the distinction between self-rule and shared rule, and it provides the conceptual frame for this study.

The distinction was coined by Elazar:

> When all is said and done, federalism involves the combination of self-rule and shared rule, an arrangement where two or more peoples or polities find it necessary and desirable to live together within some kind of constitutional framework that will allow all the parties to preserve their respective integrities while securing peace and stability through power-sharing in those spheres where it is necessary.
>
> (Elazar 1991b: 8; see also Elazar 1987)

Regional self-rule is the capacity of a regional government to exercise authority autonomously over those who live in its territory. Shared rule is the capacity to co-determine the exercise of authority for the country as a whole.

The distinction is useful because self-rule and shared rule encompass the concept of authority, yet take us an important step closer to the ground – that is, to institutional characteristics that can be empirically evaluated. Moreover, the concepts of self-rule and shared rule travel well; they can be applied across a wide range of countries and historical periods without loss of connotative precision. While Elazar believed that 'the very essence of federation as a particular form of union is self-rule plus shared rule', he applied the distinction to 'federations, confederations, unions, asymmetrical arrangements such as federacies and associated states, nonterritorial consociations, leagues, joint functional authorities, and condominiums' (Watts 2000: 155; see also Galligan 2008).

Self-rule and shared rule inform the study of federalism, decentralization, and subnational authority. Describing the evolution of federal studies in the post-war period, Watts writes that the 'federal solution came to be regarded as the way of reconciling simultaneous desires for large political units required to build a dynamic modern state and smaller self-governing political units recognizing distinct identities' (Watts 2007: 5). Riker (1964) conceives federalism as an institutional bargain in which political communities seek military security in joint governance while safeguarding their autonomy in other spheres. Bednar (2008) unpacks federal structure in three elements: geopolitical division (shared rule based on constitutional guarantees), independence, and shared direct governance (self-rule).

This two-pronged conception of authority taps the basic difference between federal and non-federal systems. Regions in federal systems, as noted in Chapter 4, are distinguished by the extent to which they exercise

both self- and shared rule. But the two are independent: many regions can exert considerable authority in their own domain, but little beyond. Lane and Ersson's (1999) index of institutional autonomy or decentralization and Loughlin's (2000) dimensions of regionalization are attuned to self-rule.[7] Braun (2000) coins the notions of the 'right to decide' (whether a regional government can decide *what* will be done) and the 'right to act' (whether it can decide *how* it will be done) to distinguish between legislative and executive self-rule.[8]

Disaggregating authority into the domains of self-rule and shared rule has the virtue of being conservative; it sits squarely on accepted practice in the fields of federalism and decentralization and is consistent with both functional and political theories of regional authority.

Depth of authority (*B*) refers to the extent to which a government exercises authority that is not constrained by that of other governments and, hence, its relative capacity to make binding decisions. A regional government normally exerts authority in conjunction with, and often in subordination to, the central government, whether in the region or in the country as a whole. One needs, therefore, to evaluate both the extent to which a regional government has an independent executive and legislature (self-rule) and its capacity to co-determine national policy (shared rule), for example, through intergovernmental meetings or a territorial second chamber.

Finally, a government exerts authority over certain *spheres of action* (*C*). This is the scope of authority, the portfolio of policies over which authority is exercised. Four policy areas are of particular importance: provision of financial resources, authority over citizenship, exercise of legitimate coercion, and control of the rules of the game. Provision of financial resources depends on a regional government's capacity to tax those living in the region or to claim a share of national taxation. Authority over citizenship allows a government to determine membership of the community and, along with the exercise of legitimate coercion, to constitute the core of (national) sovereignty. Control of the rules of the game – constitutional powers – is the capacity of a government to project authority into the future.

Dimensions of regional authority

These conceptual distinctions provide a frame for disaggregating regional authority into operational dimensions. The institutional expressions of self-rule and shared rule are as different in practice as they are in principle. Table 1.1 lays out four dimensions that summarize regional authority in the region itself and four dimensions that summarize regional authority in the country as a whole.

Self-rule refers to the authority of a regional government in its own terrain. One needs, therefore, to assess the extent to which the regional government is independent from central domination and the scope and character of its authority. Accordingly, self-rule is operationalized as the extent to

which a regional government has the authority to act autonomously, the scope of its policy competencies, its capacity to tax, and the extent to which it has an independent legislature and executive. Shared rule depends on the capacity of a regional government to shape national decision making. National decision making is disaggregated across four areas: normal legislation, executive policy, taxation, and constitutional reform.

These dimensions are responses to the question 'How might one disaggregate the abstract quality – regional authority – so that one might estimate it by observing variation among regions across a wide range of societies?' On the one hand, we seek to encompass what is meant by regional authority; on the other, we seek to disaggregate the concept into dimensions that can be separately assessed. The eight dimensions listed in Table 1.1 are designed to be simple – that is, unidimensional – and observable. Each dimension represents a distinct and interpretable phenomenon that co-varies with regional authority. The Cronbach's alpha across the eight dimensions for 42 countries in 2006 is 0.94, which suggests that the dimensions can be interpreted as indicators of a single latent construct. Principal components analysis indicates that around 70 per cent of the variance across the dimensions is shared. As one would expect, and as Table 1.2 confirms, the dimensions hang together as

Table 1.1 Dimensions of regional authority

Self-rule	*The authority exercised by a regional government over those who live in its territory*	
Institutional depth	The extent to which a regional government is autonomous rather than deconcentrated	0–3
Policy scope	The range of policies for which a regional government is responsible	0–4
Fiscal autonomy	The extent to which a regional government can independently tax its population	0–4
Representation	The extent to which a regional government is endowed with an independent legislature and executive	0–4
Shared rule	*The authority exercised by a regional government or its representatives in the country as a whole*	
Law making	The extent to which regional representatives co-determine national legislation	0–2
Executive control	The extent to which a regional government co-determines national policy in intergovernmental meetings	0–2
Fiscal control	The extent to which regional representatives co-determine the distribution of national tax revenues	0–2
Constitutional reform	The extent to which regional representatives co-determine constitutional change	0–3

Table 1.2 Factor analysis of regional authority

Components	*Single-factor solution*	*Two-factor solution*	
		Self-rule	*Shared rule*
Institutional depth	0.89	**0.96**	0.62
Policy scope	0.92	**0.96**	0.70
Fiscal autonomy	0.87	**0.85**	0.71
Representation	0.83	**0.96**	0.53
Law making	0.85	0.60	**0.95**
Executive control	0.70	0.60	**0.68**
Fiscal control	0.85	0.61	**0.94**
Constitutional reform	0.79	0.55	**0.89**
Eigenvalue	5.61	4.87	4.70
Chi-squared	353.4	353.4	
Explained variance (%)	70.2	82.8	
Factor correlation		0.64	

Note: Principal components factor analysis, oblimin non-orthogonal rotation, listwise deletion; $n = 42$ (country scores in 2006). For the two-factor solution, the highest score for each dimension is in **bold**.

self-rule and shared rule. These are the only constructs having an eigenvalue greater than 1.

Levels of measurement

Measurement level is not a fixed attribute of a particular dataset, but depends on the purpose to which it is put. The index proposed here can be used

- as an ordinal measure of regional authority;
- as an interval measure of regional authority;
- as an absolute measure of institutional reform.

Authority, like most concepts in political science, has no natural unit of measurement. While we conceive authority as an interval variable, we measure it by rank. If one were to limit inference to *permissible transformations*, i.e. transformations that do not alter the meaning of the measurements, one would be able to make inferences about more or less authority on each dimension while refraining from inferences about relative amounts of authority within or across the dimensions (Stevens 1946).

What would one know, if one knew only that authority varies for each region along eight dimensions scaled as ranks progressing up from the lowest? Would observations aggregate in such a way as to allow (a) statements about change over time, such as 'Belgian *provincies* have less authority in 2006 than in 1950', or (b) cross-sectional statements, such as 'In 2006, Canadian provinces had more authority than US states'?