

**INTERNATIONAL CENTRE FOR MANAGEMENT
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**EXAMINATION OF FEDERALISM'S
SUITABILITY IN AUSTRALIA
RELATIVE TO THE UNITED STATES,
SWITZERLAND, CANADA, INDIA,
GERMANY AND BELGIUM**

by

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ABSTRACT

The centenary of Australian federation in 2001 provides a timely opportunity to review the workings of Australia's federal system of government through an appropriate comparative study of the Australian and other federal systems around the world.

The present work seeks to estimate how well Australia is suited to federalism generally, and its own form of federal government in particular, relative to six other federally governed democracies: the United States, Switzerland, Canada, India, Germany and Belgium.

Eleven federal suitability factors are derived through a synthesis of factors and conditions, associated with the stability and suitability of federal systems, proposed by sixteen students of federalism and government from J. S. Mill in 1861 to D. J. Elazar in 1995.

The application of the eleven derived federal suitability factors to the seven countries under consideration suggests that the United States is best suited to its federal arrangements, followed by Switzerland and then Australia. These three countries are found to be considerably better suited to their federal forms than Canada and Germany, which are in turn somewhat better suited to their federalism than India and Belgium.

More work would need to be done to determine whether the relative measures of federal suitability estimated reflect suitability to federalism generally, or to the particular federal arrangements in these countries.

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1. INTRODUCTION

The aim of the research investigation described herein is set out in Section 1.1. A background to this present study is then provided in Section 1.2. Federal systems of government are defined, described and identified in Section 1.3. Finally, the methodology and assumptions observed and the scope of the analysis are described along with chapter previews in Section 1.4.

1.1 Research Aim

The aim of the research documented herein is to offer an indicative or illustrative, if not definitive or exhaustive, attempt at determining how well Australia is suited to a federal form of government generally, and its unique federal arrangements in particular, relative to six other federations: the United States, Switzerland, Canada, India, Germany and Belgium.

1.2 Background

1.2.1 Australian Federation in 1901

By the 1880s, the Australasian colonies (including New Zealand) took their first significant steps toward the established of a federation along the lines of the federal systems of government adopted by the United States, Switzerland and Canada. Following two federal conventions in 1891 and 1897-98, a draft Constitution, having undergone several revisions, was put to the people of New South Wales, Victoria, South Australia, Tasmania and New South Wales in referenda in June 1898 (Spate, 1968, p. 63). New Zealand had by this stage made clear its intention not to join the impending federation (Jaensch, 1994, p. 293), whilst Queensland

and Western Australia did not conduct referenda along with the other colonies because, as Galligan (1995, p. 27) puts it:

Western Australia adopted a wait-and-see position while Queensland remained outside the process, having failed to participate in the 1897-98 convention because the colony was deeply divided over federation and its political leaders did not accept popular election of delegates.

The June 1898 Referenda were carried in Victoria, South Australia and Tasmania, and whilst a majority was achieved in New South Wales also, it failed there because the agreed 10,000 majority was not reached (Galligan, 1995, p. 27).

To better accommodate New South Wales and Queensland concerns, the draft constitution was amended following the June 1898 referenda, and in 1899, a second round of referenda were held – and carried – in New South Wales, Victoria, South Australia, Tasmania and now also Queensland (Galligan, 1995, p. 27). A referendum on the draft constitution was eventually held, successfully, in Western Australia in July 1900, and the Australian Commonwealth subsequently came into being as a federation on 1 January 1901 under the authority of a British Act of Parliament (Spate, 1968, p. 63).

The federation movement met some challenge by advocates of the status quo favouring separate colonial development on one side, and those seeking a unitary system of government on the other (see, for example, Anderson, 1977), however those favouring federation held a significant ascendancy throughout the debates and referendum campaigns. Factors such as the sheer size of the continent, the distinctive historical backgrounds of the colonies, and their subsequent development as somewhat isolated communities, provided decisive support for the federation advocates (McMillan, Evans and Storey, 1983, pp. 39-40).

1.2.2 Debate over the Suitability of Australia's Federal System

The academic, political and broader public debate as to whether Australia's federal form of government has suited contemporary needs and dynamics has fluctuated both in direction and intensity in the years since federation. Support for the abolition of the States has been most strongly expressed during the depression and War years – when the scarcity of economic resources and the sense of urgency called for centralised control and unity, and in the early to mid 1970s, when Prime Minister Whitlam's vigorous advocacy of an end to the Australian federal system drew widespread if not decisive support. By the mid 1990s, those supportive of or at least acquiescent toward the federal system appeared to have gained a slight ascendancy among academics and public commentators generally.

At least four principle viewpoints can be identified in relation to this ongoing debate. Firstly, there have been those who have favoured the status quo – that is, not just a federal system of Australian government, but *the* federal arrangement which is presently in place. As a matter of party policy, such views have generally aligned with the Australian Liberal party. Secondly, there have been those whose support for the federal status quo is based on the view that federalism is an inherently superior form of government, at least for a nation of Australia's vast land area. The advocacy of the Samuel Griffiths Society spans both of these first two categories as do the writings of academics such as Galligan and Walsh, whose unequivocal position (1991, p. 3) is illustrated as follows: (emphasis added)

Before examining the debate about whether Australia should persist with its federal system of government, and the character of Australian federalism which is central to the debate but has often been misunderstood or misrepresented, it is worth putting that debate in perspective. *Essentially the debate over 'Australian Federalism Yes or No' has been a twentieth century one that should now be considered closed. ... Australian federalism is not seriously in question.*

A third camp has rejected federalism altogether in favour of a unitary system – generally one hosting 30 or so regional or provincial governments with delegated powers (see, for example, Church, 1913). The Australian Labor Party explicitly supported the move to such a system in their Federal Platform until the late 1970s (Galligan, 1995, pp. 104-109). And more recently, the Australian Greens (1996, p. 12) have set out their "support [for] the eventual abolition of the States". Canaway (1930, pp. 178-179) certainly had no doubt that a unitary system was best for Australia: (emphasis added)

The best constitutional system for Australia means the best one for the Australian nation, and any attempt to get clear ideas as to what that constitutional system is must take the nation as a starting-point and thence go on to determine what form of polity will offer the nation the best facilities for fulfilling the duty it owes to itself and will keep it as fit as possible to survive. ... *The right principle upon which to constitute the Australian nation is beyond all controversy the unitary one. That issue having been settled ...*

Finally, a fourth camp can be identified who have supported federal principles at least to some extent but who have nevertheless sought significant changes in Australia's federal arrangements. New States movements, such as that which narrowly failed to achieve the new state of New England in the April 1967 referendum, have been the prominent example in this category (Ellis, 1933; Kidd, 1974, pp. 57-68); these in turn have been dominated by rural interests generally, and the Country (now National) party in particular. More recently, Thomas (1994) proposed a system of 37 regional states founded upon federal principles. The Australian Democrats also support a move to a system of regional governments.

The first two camps identified above (those favouring the status quo and federalism) have attracted support especially among those who consider that the pursuit of significant changes to our system of government is pointless in view of constitutional barriers opposing such changes, but their position can be criticised as conservative, defeatist and unimaginative. The third camp has attracted followers

among those who perceive the present federal arrangements as wasteful, unduly complicated and a barrier to much needed reform, but is criticised by those opposed to a centralization of power and on grounds of being unachievable. Each of these first three camps have attracted criticism on account of their 'black and white', dismissive, dogmatic and uncompromising stances. Notwithstanding the substantiation which Canaway on the one hand, and Galligan and Walsh on the other, may have provided to support their respective assertions as above, their manner of dismissing arguments opposed to their own is certainly more likely to inflame this debate rather than settle it.

It is asserted here as a fact beyond dispute that the likelihood that Australia's present federal system of government, with the States in their present form, would emerge as the best of all possible designs is surely negligible enough to be discounted. This does not imply that the best of all possible systems would necessarily be a unitary form of government, but it is clearly beyond doubt that there is room for improvement in terms of the placement of sub-national boundaries and the balance of powers and responsibilities between the central and sub-national governments. There is inherent value in exploring as wide a range of options as possible, and to this extent, the fourth camp described above has undoubtedly contributed more constructively than the first three camps to debates over possible reforms to the Australian system of government. Spate (1968, p. 189) captured the essential merit underlying the approach of this fourth camp in remarking that:

The socio-economic cast of the Australia of to-day differs ... from that of the Australia of 1900 ... and it would be highly unrealistic to expect that in an age of two world-embracing wars and of dizzy technological change, the balance appropriate to 1900 could be statically preserved.

By exploring federalism's relative suitability in Australia, the present thesis seeks to offer guidance as to whether or not Australia's federal system needs to be reformed or abandoned, and the urgency of such change, if deemed necessary.

1.3 Federal Systems of Government

1.3.1 Federalism and Federal Systems Defined

In line with common usage, the terms 'federal system', 'federal system of government', 'federation', 'federalism' and 'federal principle' shall be used interchangeably herein. The word 'federal' derives from the Latin word *foedus*, which can be interpreted in English as meaning 'covenant', 'league', 'agreement', 'treaty', 'compact', 'trust' and 'bind' (Harman, 1992, p. 337; Riker 1975, p. 99; Phillips and Rielly, 1982, p. 60).

Numerous definitions of federalism have been proposed. One of the most famous is that provided by Wheare (1946, p. 11; 1963, p. 10), in which the 'federal principle' is defined as "the method of dividing powers so that the general and regional governments are each, within a sphere, co-ordinate (that is, equally important) and independent". Wheare's definition, whilst extremely influential, has nevertheless been criticised as being too legalistic and narrow. Harman (1992, p. 338), for example, considers Wheare's definition to be:

unnecessarily rigid and at variance with practice, for in many federal systems, including that of the United States and Australia, federal laws and treaties according to the constitution override those of state governments.

Hague and Harrop (1987, p. 169) similarly claim that:

In all federal systems, one level of government (typically the central) tends to predominate; were this not so, stalemate would result. So the problem with Wheare's definition is that it leads to an empty category.

Furthermore, there is in practice always at least some degree of overlap among the activities of the central and sub-national governments in federations. In reality the central and sub-national governments assume a relationship of *interdependence* rather than independence. The following definition by Hague and Harrop (1987, pp. 169-170) reflects this practical reality:

Federalism is a system of government in which legal sovereignty is shared between central and other (typically provincial) governments. Each government, central and provincial, has constitutional authority to make some decisions independently of the other, even though in practice there is now very marked inter-dependence between the governments.

Harman (1992, p. 336) defines federalism as an arrangement in which:

separate regional political units (often referred to as states or provinces) are combined for limited, specified purposes under an overarching administration, but in such a way that the government of each separate regional unit maintains its integrity and substantial autonomy. This is achieved by distributing powers and responsibilities in such a manner to protect the existence and authority of both levels of government. Both levels of government can pass laws, levy taxes and relate directly to the people. Usually there is an explicit constitutional demarcation of powers and functions between central and regional governments, and generally there are specified mechanisms and procedures for resolving conflicts and disputes between central and regional governments, and also between two or more regional governments.

According to Galligan (1995, p. 32), federal systems are defined by:

first, the existence of two levels of government, national and state (or provincial etc.); second, the guarantee that neither has sovereignty over the other; and third, some allocation of powers between the two. Furthermore, in a federal democracy, the people are citizens of both jurisdictions as well as being the primary source of constitutional power.

A particular strength of Galligan's above definition is that it caters for the practical reality that federations lie on a continuum in terms of their balance between centralised and decentralised control; this depends on the allocation of powers between the two levels of government. It has further practical utility by virtue of its distinction between democratic from undemocratic federations, and shall be adopted as the working definition for the purposes of the present examination.

1.3.2 Federal Systems Distinguished from Unitary Systems

Federations and unitary systems of government are alike in that they constitute the government of a single nation-state, however, whereas sub-national governments in federations are provided with *guaranteed* sovereignty and powers – generally (though not necessarily) according to the terms of their federal Constitution, and always according to some binding contractual instrument, in unitary systems of government, sub-national governments only possess such powers as are delegated to them by, *and at the discretion of*, the central government. As Walter and Huebsch (1978, p. 51) point out:

In a unitary system the flow of power is unidirectional, from the central authority down, and the sub-units become administrative conveniences. In the federal system, the flow of authority is bi-directional, with a division of power, and the sub-units are meaningful political spaces for the population inhabiting them.

So in unitary systems, the regional governments are, by definition, dependent upon the central government.

1.3.3 Federal Systems Distinguished from Confederations

Elazar (1991 p. xvi) defines federation and confederation together as follows:

Confederation: Several pre-existing polities joined together to form a common government for strictly limited purposes, usually foreign affairs and defence, and more recently economics, which remains dependent upon its constituent polities in crucial ways and must work through them.

Federation: A polity compounded of strong constituent entities and a strong general government, each possessing powers delegated to it by the people and empowered to deal directly with the citizenry in the exercise of those powers.

Federations and confederations are alike in that they are unions of two or more constituent units, however, whereas the federal governments in federations are provided with *guaranteed* sovereignty and powers – again generally (though not necessarily) according to the terms of their federal Constitution, and always according to some binding contractual instrument, in confederations, the 'central' or 'confederal' governments only possess such powers as are delegated to them by, *and at the discretion of*, the constituent units making up the confederation. So the flow of power in a confederation is unidirectional, from the constituent units to the central (confederal) authority. In confederations, the central or confederal government is, by definition, dependent upon the constituent governments.

So whereas in a federation, the central (or 'national', or 'federal') government has *direct* authority over the people in its assigned areas of responsibility, in a confederation, the central (or 'confederal') government can only act through its individual member states.

Prominent modern confederations include the European Union and the Caribbean Community (Elazar, 1991, p. vii).

1.3.4 Federalism as a Point on a Continuum

According to Livingstone (1956, p. 4):

Federalism is not thus an absolute but a relative term; there is no identifiable point at which a society ceases to be unified and becomes diversified ... All communities fall somewhere in a spectrum which runs from what we may call a theoretically wholly integrated society at one extreme to a theoretically wholly diversified society at the other.

Whilst legally significant and always *potentially* significant, in everyday practice so far as ordinary citizens are concerned, the distinction between federal and unitary governments is significantly blurred. If a central government in a unitary system chooses to delegate substantial powers to sub-national governments, it can certainly give effect to a greater degree of decentralisation than is present in a federal system in which the powers guaranteed to the sub-national government are relatively insubstantial, or in which the central government exercises power in excess of its constitutional rights. Hence, and at any rate, there is no axiomatic link between federalism and decentralisation (Lijphart, 1984, p. 169). According to Lijphart (1984, p. 80), the unitary government of Japan is more decentralized than the federal systems of Australia and Austria. Referring also to the highly decentralized unitary government of Italy, and the highly centralized Mexican, Russian, Venezuelan and Malaysian federations, Derbyshire and Derbyshire (1996, pp. 15, 19) remark that "the distinction between 'weak federal' states such as Austria and 'strongly decentralised' [unitary] states such as Spain is now quite narrow".

Lijphart (1984, pp. 177-179) observes that:

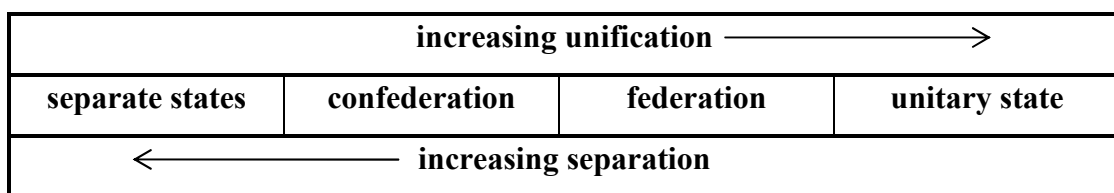
there is a strong relationship between federalism and decentralisation and between unitarism and centralization ... [but] there are some notable exceptions, such as the relatively centralized Australian federation and the relatively decentralized but unitary Nordic countries [Sweden, Norway, Finland and Denmark] and Japan.

So whilst the federal-unitary dichotomy is a useful simplification, the governments of nation-states worldwide in reality lie somewhere on the continuum between extreme, idealised unitary and federal forms of government. According to Trager (1968, p. x):

federalism is not as a fixed point on a map, but a tendency which is neither unitary nor separatist. In Aristotelean terms, the median between these two polar positions, and thus their true opposite.

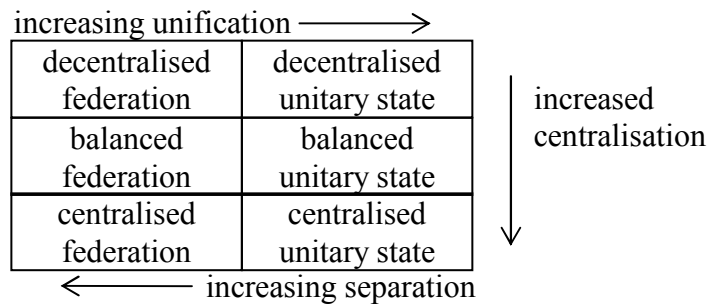
Trager's reference to federalism in terms of unitarist and separatist tendencies is clearly preferable to references in terms of centralisation or decentralisation which, as was illustrated above, are plainly unreliable. So a federation can be regarded as occupying an intermediate position along a continuum in which a centralized unitary state lies at one extreme and separate states lie at the other, as illustrated in Figure 1-1 as follows (Paddison, 1983, p. 29):

Figure 1-1 Unified and Separate Nation-State Arrangements



Taking the centralisation or decentralisation of nation-states as a dimension separate to the extent of unification or separation, Figure 1-1 above can be extended to the following two dimensional matrix which further illustrates the range of possibilities among nation-states (Riker, 1975, p. 101).

Figure 1-2 Separate Dimensions of Unification and Centralisation



1.3.5 Sawer's Six Basic Principles of Federalism

Sawer (1976, p. 2) was not prepared to offer a definition of federalism on grounds that the act of so defining was "likely to be futile". He has, however, established six principles which have been widely used in consideration of federal systems:

According to Sawer (1976, p. 1):

Federal government, as that expression is now usually understood, was devised by the Founders of the constitution of the United States of America in 1787-8. The general principles of such a government are as follows, and are referred to in this book as the basic federal principles.

(1) A country which, taken as a whole, is a nation state, an independent unit from the point of view of international relations and law, is provided with a set of institutions required for the work of government, having authority over the whole of that country. (We shall call this set of institutions the CENTRE.)

(2) This country is also divided into a number of geographical areas, each of which is also equipped with a set of institutions required for the work of government in that area. (We shall call each such set of institutions a REGION.)

(3) The power to govern is distributed between the centre and the regions in such a way that each set of governmental institutions has a direct impact on the individual citizens and other legal persons within its area of competence.

- (4) The distribution of competence between centre and regions is effected by a constitution (usually written) having a fair degree of rigidity, so that its basic terms are 'entrenched' – that is, cannot be amended at the sole discretion of the centre or of any region or combination of regions. This implies the inability of a region to secede, unless the terms of the constitution specifically authorise such a step.
- (5) The constitution provides rules to determine any conflict of authority between centre and regions, where but for the conflict the activity in question would have been within the competence of each of the conflicting authorities. Theoretically the rule could favour either regions or centre, and could vary with the subject of power; in all known cases the general rule is that the centre law prevails.
- (6) The distribution of competence between centre and regions is interpreted and policed by a judicial authority which can make authoritative determinations as to the validity of governmental acts (including legislation) where these are alleged to be beyond the competence of the centre or a region, or where the conflict rules referred to under (5) have to be applied.

1.3.6 Federal Systems in the World Today

According to Wheare's rigid definition, only Australia, the United States, Canada and Switzerland qualify as federations (Wheare, 1963, p. 20). These are referred to throughout the literature on federalism as the *classic federations* or *true federations*. According to the less rigid definitions offered by others, however, a much greater number of the world's nation-states fall within the federal classification. Derbyshire and Derbyshire (1996, p. 15), for example, identify 24 nation-states as federations of 192 nation-states in total. Twenty-two lists of federations proposed by various authors between 1951 and 1997 are provided in Table 1-1 on page 15. Table 1-1 shows that the four classic federations are indeed unanimously recognised, whilst India and Germany have been the next most frequently recognised, followed by Austria and Mexico, then Nigeria, and then Brazil, Malaysia and Russia (including the former USSR prior to its breakdown in 1991). Belgium's status as a federation is not in dispute, and its infrequent

recognition in Table 1-1 is merely a result of the fact that it only adopted its present federal structure in 1993. For the seven federations involved in the present study, the years in which federation took place are shown in the leftmost column.

The principal sub-national governments have different names in different federal countries. They are called *states* in the United States, Australia and India; *provinces* in Canada; *länder* in Germany and Austria; *cantons* in Switzerland; and simply *regions* in Belgium. These sub-national polities are collectively referred to as 'states (or equivalent)' in the present thesis.

Federations can be distinguished by their manner of assigning powers to the central and sub-national governments. The constitutions of Australia, the United States, Switzerland and Germany assign specific powers to their respective central governments, leaving the remainder (known as 'residual' or 'plenary' powers) to the sub-national governments (Wheare, 1963, p. 79). In Canada and Belgium the reverse situation is in place; the provinces and regions respectively are assigned specific powers whereas residual powers are left with the central governments (Wheare, 1963, p. 80; Fitzmaurice, 1996, p. 146). There are plans in Belgium, however, to specify central government powers and leave residual powers to the regions and so follow the lead of Australia, the United States, Switzerland and Germany (Fitzmaurice, 1996, p. 146). The Indian constitution assigns specific powers to the central and state governments alike (Balmaceda, 1990, p. 68).

Germany, India and Belgium have been selected for the present comparative study, along with the classic federations – Australia, the United States, Switzerland and Canada, because their federal status is essentially beyond dispute, and they are clearly among the most successful of the contemporary federations. In particular, they all host generally democratic cultures and operate substantially in accordance with the federal principles set out in their respective Constitutions.

Table 1-1 Federal Systems of Government According to Various Authors at Various Times

State (Year of Federation ¹)	1951 Sharma ⁴	1963 Wheare p. 20.	1964 Riker p. 1.	1970 Duchacek pp. 195-8. ⁵	1972 Pounds p. 52. ⁶	1975 Riker p. 107.	1976 Sawyer p. 147. ⁷	1976 Sawyer pp. 147 & 149. ⁸	1978 Walter and Huebsch p. 54.	1984 Lijphart p. 169. ⁹	1986 Duchacek p. 94. ¹⁰	1986 Duchacek p. 94. ¹¹	1987 Elazar p. 234.	1987 Hague and Harrop pp. 171-2.	1990 Blondel pp. 229-31.	1990 Nathan & Balmaceda p. 63.	1993 Elazar p. 475. ¹²	1996 Derbyshire & Derbyshire pp. 16-19.	1996 Livingston p. 77 ¹³	1996 Jaensch p. 84. ¹⁴	1996 Jaensch p. 84. ¹⁵	1996 Watts, p. 10.	1997 World Book Encyclopedia Vol. 7 p. 44.	TOTAL number of times recognised
Argentina			*	*	*	*			*		*	*	*	*	*	*	*	*						12
Australia (1901)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	23
Austria			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	16
Belgium (1993)																	*	*				*	3	
Bosnia-Herzegovina																		*					1	
Brazil			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	14
Burma				*					*														2	
Cameroun ²				*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	4
Canada (1867)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	23
China	*																						1	
Comoros													*				*	*				*	4	
Congo			*															*	*				1	
Czechoslovakia	*		*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	8
Ethiopia			*						*									*				*	4	
Germany ³ (1949)			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	18	
India (1950)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	18
Indonesia	*								*		*	*	*	*	*	*	*	*	*	*	*	*	3	
Libya				*					*														2	
Malaysia	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	14
Mexico	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	16
Micronesia																		*					1	
Nigeria			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	15
Pakistan	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	10
Russia (or former USSR)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	14
Somalia																		*					1	
South Africa	*			*					*													*	4	
Southern Yemen				*																			1	
Spain																	*					*	2	
St. Kitts and Nevis																						*		
Sudan																		*					1	
Switzerland (1848)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	23
Tanzania				*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	3
Uganda									*														1	
United Arab Emirates									*		*	*	*	*	*	*	*	*	*	*	*	*	7	
United States (1789)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	23
Venezuela			*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	9
Yugoslavia (or former Yugoslavia)	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	*	14
Total Number of Federations	14	4	18	21	19	19	9	6	25	6	7	15	19	14	17	14	19	24	4	10	4	23	6	Totals

Notes:

- 1: for the seven federations involved in the present study (Watts, 1996, pp. 19-26)
- 2: also spelt Camerouns or Cameroon
- 3: includes former West Germany
- 4: B. M. Sharma (1951) in Davis (1978, p. 217); note that Malaya was in this list - not Malaysia
- 5: Duchacek notes that the 21 listed are "considered or claimed to be federal"
- 6: Pounds includes Malaya as a separate federation - a federation within the Malaysian federation
- 7: Sawyer classifies these as countries with at least "a basis for federal development"
- 8: Sawyer classifies these as "established federations"
- 9: Lijphart only considered a list of 21 democracies
- 10: Duchacek considers these "definitely ... genuinely federal"
- 11: Duchacek considers these "definitely ... genuinely federal" or "purportedly federal"
- 12: article by Elazar in Encyclopedia of Democracy (1995) - he claims at least these are federal
- 13: article by Livingston in Encyclopedia Americana, Volume 11 (1996)
- 14: Jaensch states that these states among others host federal systems
- 15: Jaensch classifies these as "true federal systems"

1.3.7 Federations throughout history

Table 1-2, on the following page, lists some 30 nations and nation-states which, according to various authors, have operated under federal systems in past years, but which are no longer federations. The numbers of federating units making up each of these past federations are listed in the table along with their respective dates of establishment and abandonment, and the result following the abandonment of the federal structure.

1.4 Methodology and Chapter Previews

The following sections describe the overall scope of the exercise, previews of the chapters which follow, and assumptions underlying the present investigation.

1.4.1 Scope

The present exercise has involved the following three steps directed toward the end of evaluating how well Australia is suited to a federal form of government, relative to the United States, Switzerland, Canada, India, Germany and Belgium:

- survey literature;
- develop criteria for determining suitability for federal government; and
- apply criteria to Australia and other six federations and hence conclude on Australia's suitability for federal government relative to the other six nations under consideration

(continued on page 18 following Table 1-2)

Table 1-2 Past Federations

Federation	Number of Units	Result on Failure or Disbandment	Federation Began	Federation Ended
United Netherlands aka United Provinces of the Netherlands	7	Federation abandoned when French took over	1579	1795
Five Nations; then Six Nations from around 1720 onward; aka Iroquois Indians	5 then 6	nations dissolved and absorbed into USA	~ 1570	~ 1770
USSR	53	disintegration	1922	1991
Yugoslavia aka Greater Yugoslavia	6	disintegration	1939	1991
Czechoslovakia	2	disintegration	Jan 1, 1969	Jan 1, 1993
Cameroon aka The Cameroons aka The Cameroun Republic	2	single unitary state under 1972 constitution	1961	1972
Ghana	2	Broke up upon Togoland's full independence	1956	1960
Ghana-Guinea	2	proposed two state federation failed to take effect; Guinea gained full independence	1958	1958
Uganda	4 (4 kingdoms and 10 administrative districts)	unitary state under military rule upon coup	1962/3	1966
East Africa aka East African Federation	4	aborted approaching planned establishment in 1963	N/A	N/A
Tanzania	2	Unitary state upon establishment of one party rule	October 1964	1965
Central African Federation aka The British Central African Federation aka the Union of Central African Republics aka Rhodesia and Nyasaland aka Central Africa	3	separation following independence pushes by Nyasaland and Northern Rhodesia	1953	December 1963
Mali Federation aka Mali aka Senegal-Sudan	2	Separation; Senegal seceded	1959	1960
The Ethiopian-Eritrean federation	2	Eritrea taken over by Ethiopia	1952	1962
West Africa aka French West Africa	8	disintegration into separate states	1895	1958
Equatorial Africa aka French Equatorial Africa	4	disintegration into separate states	1910	1958
Nigeria	originally 3, but later many more	broke down in 1966 with civil war; has fluctuated from military rule to federal system ever since	1954	1966
Libya aka United Kingdom of Libya	3	legislation passed forming unitary state	Oct 7, 1951	April 1963
United Arab Republic	3 (Egypt, Syria, Yemen)	Syria seceded following Army coup in 1961	1958	1961
The Arab Federation of Jordan and Iraq	2	Iraq declared Republic after revolution overthrew Iraqi monarchy	Feb 1958	July 1958
All Indian Federation	Number never finalised	never took effect; failure confirmed with partition of India & Pakistan 14 Aug 1947	N/A	N/A
Pakistan - comprising 4 provinces in West Pakistan (now Pakistan) and also East Pakistan (now Bangladesh)	5	unitary state under military rule established in 1958; the East later seceded to form Bangladesh in 1971	August 1947	1958
Malaysia aka Federation of Malaysia and Singapore aka Federation of Malaysia	14	Singapore peacefully broke away	Sep 1963	August 9, 1965
Burma aka Union of Burma (now Myanmar)	6	unitary state under military rule	4 Jan 1948	March 1962
Indonesia (Maphilindo)	16	transfer to unitary state	December 1949	August 1950
French Indochina	3	disintegration into separate states under a 1954 Geneva agreement	1893	1954
West Indies Federation aka Federation of the British West Indies aka British West Indies aka The West Indies	10	peacefully broke up then later reformed as a looser confederation	1958	May 31, 1962
Leeward Islands	5	federation dissolved in lead up to the West Indies Federation	1871	1956
Colombia aka United States of Colombia	9	unitary state	1863	1886
Central American Republic aka Central American Confederation aka United Provinces of Central America	5	broke up into separate states; subsequent reunification attempts unsuccessful	1823/4	1838/9

1.4.2 Chapter Previews

Chapter 2 describes the literature survey which generated the reference material used in the comparative analysis herein.

The investigation has taken place in two main stages. Chapter 3 describes the first stage of deriving a set of federal suitability chapters. These factors have been selected as refinements and rationalisations of the factors that have been proposed by sixteen experts on federalism in the years following the second world war.

In Chapter 4, the 11 factors derived in Chapter 3 are applied to Australia and the other six nation-states under consideration in order to estimate, in a relative sense, how well they are suited to a federal system of government in general, and their unique federal arrangements in particular.

Based on the federal suitability rank orderings documented in Chapter 4, tentative conclusions as to how well Australia is suited to a federal form of government relative to the other six nations under examination are offered in Chapter 5 along with recommendations for future work.

1.4.3 Assumptions and Limitations

The legitimacy and accuracy of a comparative assessment of this kind derives from a strict adherence to impartiality, and a preparedness to discount preconceived conclusions and simply follow the evidence that emerges wherever it may lead.

No ideological preference favouring or opposing federal systems *per se* shall be permitted, although it is accepted – if not axiomatically assumed – that some nations, on grounds of their socio-cultural, economic, political and geographic circumstances, will likely be better served by federal systems than others. The task at hand is to assess how well *Australia* – given *its* socio-cultural, economic, political and geographic circumstances – is served by a federal system, relative to six other federations.

It is assumed that value can be found in the works and recommendations of all 16 scholars whose factors relating to federal suitability are presented in Chapter 2, so long as they are interpreted with due consideration of their limitations. This approach has been followed for reasons of utility rather than mere diplomacy. Federal systems of government are extremely complex systems and their comparative study is not nearly an exact science in which truths can be derived through resort to scientific principles and practices or the rules of logic alone. Because truths and valid conclusions do not reveal themselves at all easily or precisely in studies of this kind, it is always prudent to give serious attention to as diverse a range of expert viewpoints as possible, each of which, if interpreted with due recognition of their limitations, can only add to the overall understanding of the systems under investigation. The limitations of several of the contributions considered, and related philosophical issues, are discussed in more detail in Section 3.16 of Chapter 3.

The following assumptions and limitations wisely identified by Watts (1996, p. 112) shall also be observed:

Comparisons do help to draw attention to crucial issues and to possible alternatives illustrated by the experience of other federations. But we need also to recognize the limits to the applicability of comparisons and particularly to the transferability of institutions to differing circumstances and contexts. Above all it is important to recognize that it is not simply in the examples of different institutional structures, but rather in coming to understand the way in which underlying social, economic and political conditions, and federal institutions and political processes have interacted with each other in federations that the comparison may lead to useful conclusions.

2. LITERATURE REVIEW

The literature survey conducted to assist with the present investigation shall be described below under the following sub-headings:

- Sources of Research Information
- Classic Eighteenth and Nineteenth Century Works
- Overview of Twentieth Century Developments
- Approaches to the Study of Federalism
- Studies of Individual Federations
- Comparative Studies of Two or More Federations
- Contemporary Foci in Comparative Federalism Research

2.1 Sources of Research Information

Books, Journals and the Internet all provide resources and information relevant to a study of the kind carried out here. These source categories are dealt with in turn as follows:

2.1.1 Books

Most comprehensive political science texts written in federal countries since the second war deal with federalism to at least some extent, and works on comparative government or comparative politics (Blondell, 1995; Hague and Harrop, 1987) and political geography (Pounds, 1972; Paddison, 1983) typically devote a chapter or section to the subject of federalism.

Many books have been written specifically on the subject of federalism. These principally originate in the major federal countries such as the United States, Canada, Australia, Switzerland and to a lesser extent, and more recently, Germany.

Books on comparative federalism which compare and contrast across multiple federations are also quite common; most of the books employed in the present research exercise fall into this general category. Numerous examples of such books are cited in the remainder of this chapter.

Comprehensive encyclopedias specialising in government and politics also provide particularly useful summaries on federations and the study of federalism (Riker, 1975; Harman, 1982; Elazar, 1995).

2.1.2 Journals

As the name suggests, the Journal *Publius: The Journal of Federalism* is of particular interest to students of federalism. Most journals in the area of political science, political theory, government, public administration and constitutional law are a rich source of reference material on the subject of federalism generally.

Among international journals, in addition to *Publius*, the journals *Comparative Politics*, *Political Science and Politics* and the *International Political Science Review* are especially valuable to studies of federalism generally and comparative federalism in particular. Among Australian journals, the *Australian Journal of Public Administration*, the *Australian Journal of Political Science*, and *The Australian Quarterly*, appear to be the most valuable on the subject of federalism, albeit with an understandably Australian focus.

2.1.3 The Internet

The internet has been used extensively in this study to access various library catalogue databases. The *FirstSearch* online library facility, which provides access to numerous international resource databases, and the APAIS (Australian Public Affairs) and ABI/Inform (American Business) databases have proven to be especially valuable sources of journal articles.

A number of internet websites are devoted to the subject of federalism, and the following appear to be among the more useful:

- The *Publius* journal website at:
<http://lafayette.edu/publius/>
- The website for the Centre for the Study of Federalism at Temple University, Philadelphia, USA, at:
<http://www.temple.edu/federalism/federalism.html>
- The Institute of Intergovernmental Relations website at Queen's University, Kingston, Canada, at:
<http://qsilver.queensu.ca/iigr/>
- The '@federalism' website at:
<http://federalism.ca/page2.html>

2.2 Classic Eighteenth and Nineteenth Century Works

According to Wheare (1963, p. 247), perhaps the three most significant nineteenth century contributions to the study of federalism were those of Mill (1861), Dicey (first edition 1885), and Bryce (1888). The even earlier *Federalist Papers* (Hamilton, Madison and Jay, 1787), which so greatly influenced the federal system adopted by the United States in 1787, and the contribution by de Tocqueville (1835), have also been extremely influential. These early contributions to the study of federalism concentrated on the United States, Switzerland and in some case Canada (which federated in 1867).

2.3 Overview of Twentieth Century Developments

Harman (1992, p. 345) observes that:

With the development of political science as a discipline in the late nineteenth and early twentieth centuries, the study of federalism shifted from being concerned with normative theory to empirical research. Such scholars as Bryce and Dicey studied federalism as part of an interest in political systems. Yet, with a few exceptions, the study of federalism was generally neglected for many years.

One of the few significant works to emerge in the first third of the twentieth century was the detailed description of the historical evolution of American, British and German thoughts on federalism contributed by Mogi (1930).

Problems in intergovernmental relations experienced within the United States in the late 1930s, and the establishment of a great number of federal nation-states in the late 1940s and early 1950s following the second world war, revived interest in federalism in the late 1930s and 1940s, which has been maintained to the present day (Harman, 1992, p. 345). Wheare (1946) produced his classic work in the early postwar period. According to Sawyer (1976, p. 109):

the four editions (1946 to 1963) of Sir Kenneth Wheare's book *Federal Government* have played the same distinguished role in the making as well as the study of federalisms in this century as did works of de Tocqueville, Dicey and Bryce in the nineteenth century.

The difficulties experienced by most of the postwar federations, which in many cases led to the abandonment of the federal form of government (as illustrated in Table 1-2 on page 17), encouraged numerous studies of the conditions and factors favourable or otherwise to the establishment and maintenance of federal systems, which in turn formed the basis for renewed examination of the classic federations, all of which had experienced difficulties to varying degrees in connection with their

federal arrangements. Such analytical and comparative works are of central importance to the present study, and accordingly, most of the works employed in Chapter 3 fall into this category.

In relation to more recent developments, Harman (1992, p. 345) observes that:

Since the 1970s the main thrust internationally has been from students of intergovernmental relations, attempting to understand better the dynamics of interaction between government at different levels in complex federal systems such as the United States, Canada and Australia. This work has attracted the interest of economists and students of public finance as well as political scientists and students of public administration, and has been given considerable stimulus by the work of various commissions and committees of inquiry appointed by governments to consider ways of modifying existing arrangements.

2.4 Approaches to the Study of Federalism

Federalism has been studied with a range of emphases and according to a variety of approaches. Studies of federalism can be distinguished according to such bases as:

- *disciplinary background* – generally political science, political geography, constitutional law or public finance;
- *philosophical or theoretical approach* – whether normative or empirical and tending toward the scientific, and whether descriptive or analytical;
- *emphasis* – generally political, legal, institutional, sociological, economic, financial, geographic;

- *whether one or more federations are considered* – some studies are of individual federations whereas others consider and (generally) compare two or more federations;
- *the aim of the study* – for example, to describe the workings of federal systems, to derive insights into when federations work and when they do not, to predict future developments in federations, to better understand intergovernmental or international relations, or to identify conditions and factors associated with the establishment and maintenance of federal systems.

The works employed to assist in the derivation of federal suitability factors herein (see especially Chapter 3) span a diverse range of disciplinary backgrounds and emphases in the terms of the distinctions listed above. Most are predominantly empirical studies which compared multiple federations and sought to establish conditions or factors which distinguished the successful federations from those in which federalism was unstable and ultimately abandoned.

Any attempt at classifying *distinct* approaches to the study of federalism will tend to be oversimplistic in view of the inevitable overlap among such approaches in practice. Certainly most comparative studies of federalism and federations have been multi-dimensional and have combined elements of various approaches spanning across legal, political, social and economic issues. As Watts (1994, p. 14) points out:

Such studies may focus on the interrelation among the geographical, historical, economic, ecological, security, intellectual, cultural, demographic and international factors, and on which of these have been the most significant in promoting unity and promoting regionalism (Wheare, 1963; Watts, 1966; Dikshit, 1975; Watts, 1981).

Nevertheless, the following five basic approaches to the study of federalism have been widely recognised (Birch, 1966, pp. 15-21; Taghavi-Dinani, 1982, pp. 42-48):

- The Institutional or Legal Approach
- The Sociological Approach
- The 'Federalism as a Process' Approach
- The 'Federalism as a Bargain' Approach
- The 'Intergovernmental Relations' Approach

2.4.1 The Institutional or Legal Approach

This approach, led by Wheare (1963), which is also referred to as the 'formal' or 'federalism as a matter of degree' approach, emphasises constitutional and legal aspects, and associated political relationships.

2.4.2 The Sociological Approach

This approach was led by Livingston (1952, 1956), who claims (1956, p. 2) that "the essence of federalism lies not in the constitutional or institutional structure but in the society itself". According to this approach (Livingston, 1952, pp. 84-85):

Every society, every nation if you will, is more or less closely integrated in accordance with its own peculiar historical, cultural, economic, political and other determinants. Each is composed of elements that feel themselves to be different from the other elements in varying degrees. ... Furthermore, these diversities may be distributed among the members of a society in such a fashion that certain attitudes are found in particular territorial areas, or they may be scattered widely throughout the whole of the society. If they are grouped territorially, that is geographically, then the result may be a society that is federal. If they are not grouped territorially, then the society cannot be said to be federal.

As Birch (1966, p. 16) points out, "Livingston's point is that federalism is essentially a phenomenon of social diversity rather than one of constitutional mechanics".

2.4.3 The 'Federalism as a Process' Approach

Led by Deutsch (1957) and Friedrich (1968), this approach contends that "federalism implies a *process* of federalizing, as well as a pattern or structure" (Friedrich, 1968, p. 177). Friedrich defines the process of federalizing as:

either the process by which a number of separate political units ... enter into and develop arrangements for working out solutions together ... *or* the reverse process through which a hitherto unitary political community, as it becomes differentiated into a number of separate and distinct political subcommunities, achieves a new order in which the differentiated communities become capable of working out separately and on their own decisions and policies on problems they no longer have in common. Federalism refers to this process, as it does to the structures and patterns this process creates; it also encompasses the belief (ideas and ideologies) which it presupposes and generates. Federal behavior and federalist belief are part and parcel of federalism.

Harman (1992, p. 348) considers that:

Friedrich's work, like Livingston's approach, is full of ambiguity and difficulties. It is difficult for example, to recognize which processes are federal and which are not. Further, he does not provide any real indication of the link between the process and structure. However, he leads us to expect that federal systems generally are not static but changing in response to various pressures.

2.4.4 The 'Federalism as a Bargain' Approach

Led by Riker (1964), and modified by Birch (1966), this approach casts federalism as a political and strategic (in a military sense) bargain. According to this approach, federalism is essentially a purely political phenomenon; social and economic factors are of secondary importance. According to Davis (1978, p. 125), Riker's approach:

characterizes what may be called the quasi-scientific style of the "behavioural movement", aspiring to transcend the "unique" historical and cultural setting of each federal experience to establish "tested and testable" generalizations.

This approach is described in more detail in Section 3.5 of Chapter 3.

2.4.5 The 'Intergovernmental Relations' Approach

Led by Grodzins (1960a, 1960b, 1966), this approach, which is also referred to as the 'federalism as sharing' or 'new American federalism' approach, emphasises the utility of cooperation and the reality of integration among various layers of government in federations. More recent contributions in this area include those by Warhurst (1987) and Watts (1989).

2.5 Studies of Individual Federations

Studies of federalism can be more or less divided according to whether they deal with individual federations, or whether they are comparative treatments of two or more federations. Significant studies in both these categories are set out in this and the following sub-sections.

All of the major federations in the world have been subject to significant studies devoted to their unique federal arrangements and circumstances. Among the seven federations involved in the present study, significant works spanning from the commencement of the respective federation to the present include:

- on the United States – Hamilton, Madison and Jay, 1787-8; Bryce, 1888; Benson, 1941; Vile, 1961; Wildavsky, 1967; Elazar, 1984; Ostrom, 1991; Zimmerman, 1992;
- on Switzerland – *The Swiss Question: a Brief Statement of Facts*, 1847; Adams and Cunningham, 1889; Rappard, 1936; Hughes, 1954; Linder, 1994;
- on Canada – Lefroy, 1913; Crepeau, 1968; Smiley, 1980; Burgess, 1990; Watts and Brown, 1991;
- On Australia – Quick and Garran, 1901; Sawyer, 1952; Holmes and Sharman, 1977; Galligan, 1995; Painter, 1999;
- On Germany – Golay, 1958; Jeffrey and Savigear, 1991; Leonardy, 1994;
- On India – Bombwall, 1967; Sinha, 1987; Khan, 1992; and
- On Belgium – Fitzmaurice, 1996; Senelle, 1996; Todman, 1997.

2.6 Comparative Studies of Two or More Federations

The works from which the federal suitability factors set out in Chapter 3 have been obtained, have been selected for use in the present investigation because they all list factors or conditions which, their authors argue, provide at least some indication as to the suitability of federal government in different countries. They have all involved at least some comparative analysis of varying numbers of federal systems; indeed most were principally directed toward such comparative analysis.

These various works span a diversity of approaches and emphases. The more comprehensive works by Wheare (1963), Watts (1966), Franck (1968), Dikshit

(1975), Sawyer (1976), Hicks (1978) and Elazar (1987, 1993, 1995) consider social, economic, political (including military and institutional) and physical (or spatial), factors alike, whereas the other works have a somewhat narrower focus. Dicey (1915), for example, is principally concerned with constitutional aspects of federalism, whereas Deutsch (1957) emphasises social and economic factors. Riker (1964) focuses strictly upon political and related military and strategic bargaining aspects, whereas Walter and Huebsch (1978) focus primarily upon spatial factors. The factors and conditions relating to federal stability produced by these 16 authors of course reflect these varying emphases.

Many studies in comparative federalism have compared just two federations according to specific terms or criteria. Smith (1923), for example, compared the federal institutions of the United States and Canada with a focus upon constitutional aspects. McWhinney (1965) compared the West German and Canadian federalisms with emphasis on the balance of power between the central and subnational governments.

Other studies have examined larger numbers of federations or have employed broader, more generalised bases for comparison. The works employed in Chapter 3 as described above fit into this latter category. In addition, Bourinot (1890), for example, compares the federal systems of Canada with those in the United States and Switzerland. MacKinnon compares federations worldwide with emphasis on issues of judicial interpretation, whereas Davies (1976) compared federal and unitary countries in terms of their taxation structures. Mathews (1980) carried out a comprehensive comparison of the West German and Australian federations, and later (1985), compared the fiscal federal arrangements of Australia, Canada and the United States. The United States Advisory Commission on Intergovernmental Relations (ACIR) undertook studies comparing the federal systems of Australia, Canada, the United States and West Germany (1981). Tushnet (1990) compared the federal features of the European Economic Community with those of the United States.

Some comparative studies focus on changes over time, as well as across countries. Brown-John (1988) concluded that most federal systems are becoming increasingly centralized over time, and are making "less use of constitutional amendments to achieve change, and more use of agreements between governments, often negotiated by public officials" (Harman, 1992, pp. 346-348).

Herperger, D. (1991), compares the distribution of powers and functions of 15 past and present federations (including the seven considered in the present investigation). And in a related but extended study, Watts (1996) carries out a comprehensive comparison of two past (Czechoslovakia and Pakistan) and 10 present federations (again, the seven under assessment here and also Austria, Malaysia and Spain – the latter classified as a *federalizing*, if not yet federal, country) with emphasis in the following areas:

- The Distribution of Powers and Finances,
- Processes for Flexibility and Adjustment;
- Symmetry and Asymmetry;
- Degrees of Centralization and Non-Centralization;
- Representative Institutions;
- Constitutional Supremacy in Federations; and
- The Pathology of Federations.

Being Canadian, Watts is especially concerned with Canada's standing in relation to the other federations he considers, just as the present thesis is especially interested in where Australia stands relative to the other six federations under consideration.

Elazar (1991, 1994) has produced a definitive handbook which provides detailed descriptions of the historical, social and political influences on the federal arrangements in over 30 federal and quasi-federal polities.

Two of the most informative texts on comparative federalism to emerge in the past decade are those of Burgess and Gagnon (1993) and de Villiers (1994). Both combine chapters on the various federal and quasi-federal systems in Europe, North America, Australia with other chapters which link and draw comparisons among these federal systems. The prospects of increased federalization in Spain and South Africa are examined in some depth by de Villiers (1994).

A study which, whilst narrower in scope, is similar and of particular interest to that reported on here, is the comparison of the federal systems of Australia, the United States, Canada, India, Brazil, and Yugoslavia carried out by Nathan and Balmaceda (1990, pp. 59-77). As the basis for comparison, Nathan and Balmaceda (1990, pp. 61-63) assess "the role and character of regional governments" in the six federations considered according to the following criteria:

- legal powers;
- revenue powers;
- functional-area authority and responsibilities;
- the role of the regional governments in the affairs of the central government;
- historical, social, and cultural identification; and
- power over local units.

Nathan and Balmaceda (1990, p. 72) conclude that Yugoslavia is the country in which federalism was then the strongest, followed by Canada, the United States, Australia, India, and Brazil, as follows:

Table 2-1 The Relative Strength of Federal Structures Based on Regional Governments

Strongest Regional Government	Second Strongest Regional Government	Third Strongest Regional Government	Fourth Strongest Regional Government	Fifth Strongest Regional Government	Weakest Regional Government
Yugoslavia	Canada	United States of America	Australia	India	Brazil
Strong legal, fiscal and functional power; strong control over local governments; institutional role in central government; ethnic and regional diversity	Strong legal, fiscal, and functional power; institutional role in national affairs; strong control over local governments; ethnic and linguistic diversity	Strong fiscal power, extensive authority over local government; informal and fragmented institutional role in central-government affairs; sharing of functional authority	Institutional role in national affairs; strong control over local governments; centralized revenue structure works against regional governments; greater functional powers than US	National government appoints governors; ethnic and cultural diversity; more centralized fiscal power	Weak functional, fiscal and legal authority; national government has strong control over local governments

[Adapted from Nathan and Balmaceda (1990, Figure 4.1, p. 74); emphasis added to nations involved in the present study]

Another comparative study of particular relevance to the present investigation is that carried out by Brzinski, Lancaster and Tuschhoff (1997) which seeks to explore "how compounded representation [meaning representation of multiple interest groups through multiple access points] affects accountability and consensus building capacity in Western European democracies", and how "federalism and its institutions affect the fundamental goals of representation in liberal democracies". To this end, the study compares (1) the trends towards increased or decreased compounded representation, and (2) the consensus building capacities, of Belgium, Switzerland, Spain, Germany and the European Union (as a whole), in terms of their:

- federal structures (on the bases of social stability, constitutional entrenchment, mutual dependency and implementation patterns);
- cultural factors (based on ethnicity, language, history, religion, ideology and regional variations); and
- interest organizations (parties and interest groups).

The results of the study are summarised in the following table:

**Table 2-2 Compounded Representation and Consensus Building Capacity
in European Federal Arrangements**

Polity	Trends of Compounded Representation	Consensus Building Capacity
Belgium	increasing	moderate
Switzerland	increasing via party system and representation	high
Spain	increasing	moderate
Germany	increasing (since unification)	high
European Union	likely to increase	low

[adapted from Table 2: Typology of Case Studies (in Brzinski, Lancaster and Tuschhoff, 1997)]

It is seen that compounded representation is increasing in Belgium, Switzerland, Spain and Germany and "likely to increase" in the European Union. And of most relevance to the present thesis study, consensus building capacities were found to be high in Switzerland and Germany, but only moderate in Belgium - an issue that is explored further in Section 4.6 of Chapter 4.

2.7 Contemporary Foci in Comparative Federalism Research

Duchacek (1990, p. 23) argues that whilst "there exists a substantial body of studies that describe, analyze and compare various constitutions, institutions and processes", these studies "rarely proceed beyond description and correlation and add little to our explanatory knowledge and the development of a theory of federalism". He continues (Duchacek, 1991, p. 24):

in our effort to move from our existential and correlational knowledge of federalism toward ... explanatory knowledge, the following four major themes ... are recommended here for reconsideration or new exploration:

1. Federal processes without federal institutions;
2. Federal political culture;
3. Coincidence of intrafederal and ethnic boundaries;
4. External roles of provinces and cities.

According to Watts (1994, pp. 10-23), the following issues are of "particular contemporary interest in the comparative study of federal systems and federations":

- the social and political basis of federal Systems and Federations;
- federal processes;
- intergovernmental relations;
- the form of central institutions; and
- the efficiency of federal political systems.

Elazar (1993, pp. 190-195) provides a comprehensive overview of the field of comparative federalism as it then stood. He emphasises the value of comparative studies generally, and those of federalism in particular, in the following terms (Elazar, 1993, p. 191):

The expansion of the comparative study of federalism internationally was based upon the same reasons that make the comparative method attractive in other fields: (1) better self-knowledge, (2) learning from others confronted with the same or similar issues or problems, (3) the value and pleasure of sharing information for increased understanding, and (4) common theory-building of the kind helpful to all scholars.

Elazar (1993, p. 190) notes that comparative studies of federalism can generally be assigned to one of three groupings:

- (1) federalism in the English-speaking world, particularly the British Empire, including imperial federalism (Davis 1978; King 1982; Wheare 1963);
- (2) federalism in the German-speaking world, particularly Germany and Switzerland (Frenkel 1984; Esterbauer, Heraud and Pernthaler 1977); and
- (3) federalistic ideologies and schemes, mostly presented by philosophic advocates of federalism as a utopian system (Marc 1948; Marc and Aron 1948; Stevens 1977).

Elazar (1993, p. 191) further observes that productive comparative work continues to be undertaken in the following principal areas of federalism:

- theory (Althusius 1964; Ostrom 1986; Davis 1978; Elazar 1987);
- institutions (e.g., Riker 1964; Duchacek 1970);
- constitutions, including constitutional law (Livingston 1956; Bowie and Friedrich 1954; Banting and Simeon 1981; Franck 1968; Watts 1991);
- foundings, i.e., the establishment or organization of federal systems (e.g., *Essays in Federalism* 1961);
- functions, or intergovernmental relations (e.g., Macmahon 1955; Frenkel 1977);
- fiscal matters such as intergovernmental taxing and spending (e.g., Maxwell 1977; Mathews 1977); and
- cases and issues (e.g., Dikshit 1975).

It is noted that Elazar and Watts seem to substantially overlook comparative studies which focus on physical, spatial as well as human geography, such as the productive comparative works undertaken by political geographers such as Walter and Huebsch (1978) and Paddison (1983).

3. ESTABLISHMENT OF FEDERAL SUITABILITY FACTORS

This chapter set out lists of factors which sixteen scholars of government and federalism have proposed for use in determining a nation-state's suitability for a federal system of government. In more or less chronological order of their publication, the factors derived by each theorist shall be presented following brief discussions as to their background, with additional amplifying discussion provided where appropriate.

Most of the federal suitability factors listed in the following sections were based upon examinations of the four classic federations, and the successes and (more often) failures of the federations which were established in the years following the conclusion of the second world war. Only those factors based on recent work by Seroka and Elazar incorporate the additional insights gained from the disintegration of the Soviet Union (in 1991), Yugoslavia (in 1991) and Czechoslovakia (in 1992/93).

The various factors listed in the following sections have all been subject to scrutiny and criticism, and three such critiques are discussed here: Riker's separate criticisms of the Deutsch and Wheare-Watts factors, and some general philosophical criticism offered by Davis. These critiques are then themselves subject to philosophical scrutiny which underlines the value of a more constructive and somewhat less rigid approach than is permitted by either Riker or Davis.

The chapter concludes with the establishment of a final set of 11 criteria which shall be applied to the seven federations under examination in the following chapter in order to derive some indication as to Australia's relative suitability for a federal form of government.

3.1 Conditions Proposed by J. S. Mill (1861)

According to Mill (1861, Ch. 17), based on his observations of the United States and Switzerland (the only two federations in existence at that time):

To render a federation advisable [and stable], several conditions are necessary.

- M1. there should be a sufficient amount of mutual sympathy among the populations;
- M2. the separate states be not so powerful as to be able to rely, for protection against foreign encroachment, on their individual strength; and
- M3. there be not a very marked inequality of strength among the several contracting states. ... there should not be any one State so much more powerful than the rest as to be capable of vying in strength with many of them combined.

3.2 Conditions Proposed by A. V. Dicey (1885-1915)

According to Dicey (1915, p. lxxv), federalism is an appropriate form of government for a collection of states which desire union but not unity, such that autonomy among member states is preserved. Guided by the success of the federations of the United States, Switzerland, Canada and Australia, Dicey (1915, p. lxxv) identifies the following two conditions as favourable, if not necessary, to the success of federal systems of government:

- D1. "physical contiguity" of the member states;
- D2. "approximate equality in the wealth, population and historical position" of the member states, because "each of the separate states should have approximately equal political rights".

3.3 Factors Proposed by K. C. Wheare (1946-1963)

Following on from Dicey's "union but not unity" thesis, and again based on observations of the federal systems of the United States, Switzerland, Canada and Australia, Wheare (1963, pp. 37-51) asserts that the successful creation of a federation requires the presence of most, if not all of, eight factors necessary for union (all of which he considers were present in the cases of the four class federations), three factors necessary to sustain the separation and autonomy of member states (again all present in the classic federations), and possibly two additional factors which he believes are favourable to the maintenance of separate member states, as follows:

Factors necessary for union:

- W1. a sense of military insecurity and of the consequent need for common defence;
- W2. a desire to be independent of foreign powers, and a realization that only through union could independence be secured;
- W3. a hope of economic advantage from union;
- W4. some political association of the communities involved prior to their federal union;
- W5. geographical neighbourhood;
- W6. similarity of social and particularly political institutions;
- W7. leadership or statesmanship at the right time;
- W8. democracy (and absence of autocracy and dictatorship)

Factors necessary for separation:

- W9. previous history as distinct, competently governed independent states;
- W10. sufficient divergence of economic interests;
- W11. geographical factors (for example, the vast distances separating and isolating communities in the United States, Australia and Canada, and the isolated communities formed by mountain barriers in Switzerland)

Factors favouring separation:

- W12. Some disparity of social and political structures, nationality, language or religion;
- W13. sufficient human and economic resources to support provincial governments in addition to the general (central) government.

Wheare's above list of necessary and favourable conditions – the first comprehensive assembly of such factors – and his work on federalism generally, have profoundly influenced subsequent studies of federal systems of government. Inspired by Wheare's original effort, several scholars – notably Watts and Sawyer – have since sought to expand on and refine these factors, or propose alternative lists of factors associated with federations. This chapter contains a selection of such lists of factors.

3.4 Conditions Proposed by K. W. Deutsch (1957)

According to Deutsch (1957, p. 58), social and economic background "forces", rather than political factors, predominantly influence the development of nation-states, and the "essential" conditions for an "amalgamated security community", of which class federation is a subset, are:

- DE1. mutual compatibility of main values;
- DE2. distinctive ways of life;
- DE3. expectations of stronger economic ties or gains;
- DE4. a marked increase in political and administrative capabilities of at least some participating units;
- DE5. superior economic growth on the part of at least some participating units;
- DE6. unbroken links of social communication, both geographically between territories and sociologically between different social strata;
- DE7. a broadening of the political elite;
- DE8. mobility of persons at least among the politically relevant strata; and
- DE9. a multiplicity of ranges of communications and transactions.

3.5 Conditions Proposed by W. H. Riker (1964) and A. H. Birch (1966)

According to Riker (1975, pp. 113-114), federalism arises as "a constitutional bargain among politicians" motivated by "military and diplomatic defense or aggression". And whilst he acknowledges that "each instance of a federal bargain is of course imbedded in a unique historical context" (1964, p. 12), he nevertheless asserts that two purely political (as against social and economic) conditions, as follows, are necessary (though not sufficient) for the adoption of a federal system in the first place:

- R1. The Expansion Condition: A desire on the part of politicians who offer the bargain to expand their territorial control by peaceful means, usually either to meet an external military or diplomatic threat or to prepare for military or diplomatic aggrandizement.

- R2. The Military Condition: A willingness on the part of politicians who accept the bargain to give up independence for the sake of the union because they desire protection from an external threat or because they desire to participate in the potential aggression of the federation.

Riker further (1964, pp. xiii, 101, 135) concludes that the following condition alone is sufficient (but not necessary) to maintain a federal system "after the original military-diplomatic considerations that call it forth have ceased to be operative":

- R3. the presence of a decentralized political party system which reinforces the federal structure

According to Riker (1964, p. 136), "the structure of the party system ... may be regarded as the main variable intervening between the background social conditions and the specific nature of the federal bargain".

Birch (1966, pp. 15-33) critically assesses the conditions associated with the establishment of federations, as postulated by Wheare, Deutsch and Riker (and set out in Sections 3.3, 3.4 and 3.5 above), in view of the ultimately unsuccessful attempts to form federations in Nigeria, East Africa and Malaysia. He finds that the conditions proposed by Wheare align with the Nigerian and Malaysian circumstances quite well, but not with the East African case. Deutsch's conditions were found to least well align with observations; only his conditions 3, 4, 5 and 9 were present in all three federations (Nigeria, East Africa and Malaysia). Riker's military and expansion conditions were found to align exactly with the frustrated attempts to form an East African federation, and in the cases of Malaysia and Nigeria these conditions again aligned if expanded to incorporate the desire to deter internal as well as external threats.

According to Birch (1966, pp. 21-33), Riker's entirely political approach and derived conditions are more successful in explaining successes and failures observed among case studies than the factors proposed by Wheare (based on his Institutional approach) and Deutsch, and the approaches taken by Friedrich (who, along with Deutsch, adopts a 'federalism as process' approach) and Livingston (the sociological approach), all of which emphasise social and economic as well as political factors.

Accordingly, Birch (1996, p. 32) proposes a modification of Riker's military and expansion conditions which incorporate the desire to deter internal threats. These modified conditions, which have become known as the Riker-Birch conditions for the establishment of federations, are as follows:

A necessary condition for the establishment of a federation is that the political leaders of all the territories involved should believe that union would either:

- RB1. help to protect one or more of the territories from an external or internal threat, whether actual or potential, to the security of the established regime or
- RB2. enable them to benefit from the improved diplomatic or military position that the larger unit could be expected to enjoy; though it is not necessary that the considerations influencing the leaders of the various territories should be identical.

3.6 Factors Proposed by R. L. Watts (1966)

Based on his very detailed examination of six federations that had been established in six British Commonwealth nations following the second world war (India, Pakistan, Malaya and Malaysia, Nigeria, Rhodesia and Nyasaland [also known as the Central African Republic], and the West Indies), Watts (1996, pp. 42, 57) proposes that:

Among the social factors and motives which have been relevant in most of the new federations have been

- WA1. the desire for political independence (that is, from foreign powers);
- WA2. the hope of economic advantage;
- WA3. the need for administrative efficiency;
- WA4. the enhancing of the conduct of external relations, both diplomatic and military;
- WA5. a community of outlook based on race, religion, language, or culture;
- WA6. geographical factors;
- WA7. the history of political associations;
- WA8. similarities and differences in colonial and indigenous political and social institutions;
- WA9. the character of political leadership;
- WA10. the existence of successful older models of federal union; and
- WA11. the influence of the United Kingdom government in constitution-making.

Watts (1966, p. 42) claims that the above factors "have been of varying relative importance in different federations, although most of them have been present to at least some degree in each case".

Davis (1978, p. 125) points out that "Watts' study stands in direct succession to the traditional historically oriented comparative study (e.g., Wheare) in quest of some "significant patterns", and it is seen that Watts' factors are a refinement of those proposed by Wheare listed in Section 3.3 above. In particular, whereas Wheare distinguishes between factors favouring union from those favouring separation, Watts claims (1966, p. 42) that "each of these factors is potentially either unifying or separating". He observes (1966, p. 93) that:

in each of the recent federations, as in the older ones, there existed at one and the same time powerful desires to be united for certain purposes, because of a community of outlook or the expectation of common benefits from union, and deep-rooted desires to be organized under autonomous regional governments for others, because of contrasting ways of life or the desire to protect divergent interests. The result in each case was a tension between the conflicting demands for territorial integration and for balkanization.

Watts (1966, p. 93) further observes that:

An examination of the recent federations suggests that, like the older federations, what was distinctive about the social situations which produced them was not merely the duality of demands for union and regional autonomy, but the relative balance or equilibrium in each between the conflicting forces for unity and diversity.

3.7 Factors Proposed by T. M. Franck (1968)

Based on his examination of failed (West Indies, East Africa, Central Africa and Malaysia) as well as successful federations, Frank (1968, pp. 171-173) postulates that the success of a federation depends on the presence of a hierarchy of primary, secondary and tertiary goal-factors, which he defines as follows:

Tertiary goal-factors give rise to a federal condition which can be described as bargain-striking, in which a federation is formed not so much to harness a genuine mutuality of interest as to prevent a clash of disparate racial or economic interests, or to take advantage of some temporary coincidence of interests to secure an immediately achievable objective. *Secondary* goal-factors give rise to a federal condition which can be described as a genuine coalition in which a profound coincidence of parallel interests is advanced through cooperation and merger. *Primary* goal-factors give rise to a federal

condition which elevates the federal value above all other political values and in which the ideal of the federal nation represents the most important political fact in the lives of the people and leaders of each part of the federation.

Table 3-1 on the following page summarises Franck's findings (1968, p. 172).
Franck concludes that (1968, p. 174):

the impetus for successful federation can come either from the ideological commitment of charismatic *leaders* transmitted to the people (*elite charisma*); or from the broadly shared values of the people, culminating in a *federal* value, originating in charismatic *events* and transmitted to the leaders (*popular charisma*), or built gradually out of common secondary factors.

So the success of a federation requires, among its leaders and general citizens "a positive political or ideological commitment to the *primary* goal of federation *as an end in itself* ... the leaders, and their followers, must "feel federal" "(Franck, 1968, p. 173).

According to Franck (1968, p. 177), the likelihood of success of a federation cannot be estimated through "an analysis of economic statistics or in an inventory of social, cultural, or institutional diversity".

(continued on page 48 following Table 3-1)

Table 3-1 The Factor-Goal Components in Federation Motivation

Goal-Factor Type	Factors	Goals	Contribution to Success of Federation
<u>Primary</u>	Ideological federalism Popular or elite charisma Supremacy of the political federal value	Federation for its own sake Manifest destiny National greatness	The prerequisite needed to ensure against eventual failure
<u>Secondary</u>	Common language Similar values, culture Complementary economies Common colonial heritage Common enemies Common challenge	Federation for the sake of mutual economic advantage Security against attack "Opening up the frontier" More important role in international affairs Common services	These factors may bring federation into being and thereafter engender the primary factors. The factors of common challenge and common enemies appear to stand the best chance of effecting the transition to primary factors. If so, the federation is likely to succeed; but it is by no means certain that this sequence will occur. If it does not, the federation is susceptible to failure despite the favorable motivation based on secondary factors and goals.
<u>Tertiary</u>	Ethnic balance Hope of earlier independence Colonial power's need to rid itself of uneconomic colonial territory	Prevention of racial/tribal friction Independence Solvency	The motivation based on these factors and goals may bring about a federation but, unless rapidly replaced by secondary and primary goal-factor motivation, these tertiary factors can be said to contain the seeds of their own defeat. In themselves, these factors rarely engender the development of secondary and primary factors

For the purposes of the present thesis, the factors Franck considers instrumental in bringing about and maintaining federalism are (as taken from the 'Factors' column in Table 3-1 on the previous page):

Primary Factors

- F1. Ideological federalism
- F2. Popular or elite charisma
- F3. Supremacy of the political federal value

Secondary Factors

- F4. Common language
- F5. Similar values and culture
- F6. Complementary economies
- F7. Common colonial heritage
- F8. Common enemies
- F9. Common challenge

Tertiary Factors

- F10. Ethnic balance
- F11. Hope of earlier independence
- F12. Colonial power's need to rid itself of uneconomic colonial territory

3.8 Factors Proposed by R. D. Dikshit (1975)

Dikshit (1975, p. 234) claims that his study of federations, and the conditions necessary for their maintenance, differs from the work of his predecessors, in two ways:

first, it is a more focused analysis of the problem of federal stability; and, secondly, because it takes a more comprehensive view of federalism as essentially a problem of human organization, it takes into account (in

contrast to many previous attempts in the field) all the diverse forces and factors – economic, social, political and cultural – that are involved in the functioning and survival of federalism as a political system.

Rejecting the suggestion – made by Riker (see condition R3 in Section 3.5 above), Grodzins (1960, pp. 974-998) and others – that political party organization is fundamental in maintaining federal systems, Dikshit (1975, p. 234) claims instead that:

one of the fundamental factors in federal stability is that the regional identities on which the constituent units of a federation are based should not be completely mutually exclusive, even though they may largely be conflicting. When boundary-lines of the regionally-identifying diversities in a federal State highly overlap, the cleavages have a tendency to get transformed into linkages and the result is a stable federal partnership.

Citing the failures of federations in Indonesia, Central Africa, the West Indies, Pakistan and Nigeria for support, Dikshit (1975, pp. 239-240) further suggests that successful federation requires the absence "of one unit numerically so large as to be capable of vying in strength with many or all of the others combined", but "a sufficient number of federating (Sawer thinks, probably at least five) units to prevent continuous face to face conflict of one or two potential rival units".

Based on the success of federations such as the United States, Canada and Australia, and the failure of Pakistan, Dikshit further suggests (1975, pp. 240, 242) that federal stability is enhanced by:

- the mobility of population within the State ... A high degree of inter-regional mobility of population greatly strengthens the sense of national identity by acting as an effective curb on divisive provincialism;
- the maintenance of a perception that constituents are economically better off within than without their union, and that while loyalty to both levels of government is retained, national loyalties must on the whole get precedence over regional ones; and
- the maintenance of democracy, a guaranteed multi-party system and respect for the rule of law.

In summary then, Dikshit proposes that federal stability is enhanced if:

- DT1. social, economic and cultural (including ethnic, linguistic and religious) cleavages should differ from and hence overlap (rather than coincide with) provincial political boundaries;
- DT2. (especially in multi-ethnic or otherwise highly heterogeneous federations with strong regional identities) there is a continued external threat to the collective security of the nation;
- DT3. the population within the State is highly mobile;
- DT4. constituents maintain the perception that they are economically better off within than without their union, and that while loyalty to both levels of government is retained, national loyalties must on the whole get precedence over regional ones; and
- DT5. democracy, a guaranteed multi-party system and respect for the rule of law are maintained.

3.9 Factors Proposed by G. Sawer (1976)

According to Sawer (1976, p. 109):

The experience of the 'failed federalisms', especially the more recent ones [especially the West Indies, Central Africa, Mali, East Africa and Nigeria], has to a considerable extent supported 'Wheare's factors', while adding some further ones and suggesting that some prerequisites which he considered not essential – though he thought it surprising that they were not – are at least highly desirable.

Sawer (1976, p. 109) hence proposes the following set of factors favouring the establishment and maintenance of a federal system:

Factors favouring a degree of unity:

- S1. geographical contiguity,
- S2. need for defence against a mutually feared outside power or former colonial ruler,
- S3. common-market and other economic advantages,
- S4. a history of previous association or common subjection,
- S5. compatibility of social and political structures (involving considerations of language, race, religion, *mores* and levels of political and administrative sophistication),
- S6. the possession of or at least a desire for and drive towards the forms of democracy appropriate to a plural society.

Factors indicating the creation or continuation of regions with some guaranteed area of autonomy:

- S7. natural geographical divisions;
- S8. divergences of economic interest;
- S9. a history of separateness or regional self-government;
- S10. some disparity of social and political structures;

- S11. a total of population and resources (including political and administrative expertise) for the whole area sufficient to make the creation of an additional level of government not too uneconomic;
- S12. a sufficient number of federating units (probably at least five) to prevent continuous face to face conflict of one or two potential region rivals;
- S13. a relationship of size/resources/population between units such that no one or combination of two can dominate a combination of the rest;
- S14. sufficient size/resources/population in each unit to provide a viable basis for autonomous government within the limits of intended unit powers.

Comparing Sawyer's list above with the lists proposed by Wheare and Watts (see Sections 3.3 and 3.6 respectively) highlights the similarity of approach taken by these three scholars; Sawyer's factors are deliberate refinements of those proposed by Wheare and Watts.

3.10 Factors Proposed by U. K. Hicks (1978)

Whereas Franck carried out a comparative analysis of four failed or frustrated African federations, and Watts carried out a similar analysis of six British Commonwealth federations established following the second world war, Hicks carries out a comparative analysis of essentially all successful and failed federations (though with emphasis on twentieth century experiences) with the aim of identifying general ingredients for success and failure among federations. By way of methodology Hicks (1978, pp. 171-172) states that:

In assessing factors influencing failure or success it is useful to distinguish between those that are essentially general, in line with world environmental changes (due for instance to new technological, physical or even political phenomena, which affected all countries) on the one side, and those which were peculiar to a particular federation (or felt there with particular intensity).

Hicks (1978, p. 172) organises her discussion under four heads, dealing respectively with the influence of:

(1) *initial endowments*, physical and human; (2) *constitutional and institutional organisations*; (3) the attitude of *other countries* in a world of fierce national rivalry, and (4) *incompatibilities and imbalances* between or within the federal States.

So far as initial physical endowments are concerned, Hicks (1978, pp. 172-173) cites the problems faced by the West Indies, Malaysia, Pakistan (comprising East and West Wings separated by India) and Australia (in relation to Western Australian isolation) and Tanzania, due to being too large and/or spread out and consequent problems of isolation and communication. Hicks (1978, p. 173) further observes that:

There are many other ways in which the physical environment may affect the prospects of successful federation. An illustration of one such phenomenon is the discovery of mineral wealth in one part of a federation, as occurred when oil was found in the Eastern Region of Nigeria.¹² This changed the whole relation between the different States of the Federation. When the Eastern Region realised that within the Federation she would not be permitted to retain the oil profits for her own use, she immediately sought to withdraw, and was only prevented from doing so as a result of civil war.

In relation to initial human endowments, Hicks (1978, p. 173) states:

Differences in human endowment may mar the harmonious operation of a federation no less than differences in physical opportunities. These may take the form of religious disagreement, differences of culture, degree of education or sophistication and most of all race (especially of course where there is a question of colour). These may be present in various degrees, and while any of them alone might be insufficient to cause rupture, in combination they can easily lead to an impossible situation.

On the matter of constitutional and institutional arrangements, Hicks' study highlights the importance of a carefully prepared and appropriate Constitution, an appropriately located federal capital city, and appropriately designed and sufficiently resourced (in terms of human and financial resources) legislatures, executives, judicial systems and administrations (1978, pp. 175-177).

Regarding the attitude of *other countries*, Hicks (1978, p. 177) observes that:

Foreign reactions are among the most important factors determining failure or success in federation. ... The most vital relation is that of the new nation to its immediate neighbours. There have been many instances where independent States got together for mutual protection from powerful neighbours (these in fact unintentionally promote federation if they do not swallow the infant nation). Canada and Switzerland are both striking examples of this phenomenon. Canada was so much afraid of being physically swallowed by the USA that the diverse (and possibly incompatible) elements of French (lower) and British (upper) Canada were prepared to make a nation together. There has long ceased to be any danger of physical acquisition of Canada by the USA. But increasing domination of Canadian investment by American firms (which mainly affects English Canada) may come near to binding her to her great neighbour as surely as political domination.

Drawing further lessons from the Swiss example, Hicks (1978, p. 177) notes that:

The history of the relation of Switzerland with her big neighbours is very revealing. Whenever there was a pressing external danger the cantons were strongly united. When there was no immediate threat intercantonal tensions and bickerings started up again. But gradually the cantons came firmly together in mutual respect, and the nation was secure.

So far incompatibilities and imbalances are concerned, whilst differences in language, culture and religion are often grounds for federation in the first place, the examples of Switzerland and the Indian subcontinent have highlighted how differences of religion, language and culture can affect the success of a federation (Hicks, 1978, p. 178).

According to Hicks (1978, p. 178), the Federation of Malaysia and Singapore broke up primarily because Singapore's wealth far exceeded that of the other member states, and because "Singapore is neutral as between races, religions and languages, while Malaysia feels the need to assert her ego through religion and language". The Central African Federation is similarly said to have failed because of imbalances among "White-dominated Southern Rhodesia, wealthy and relatively advanced Northern Rhodesia (Zambia) and small and backward Nyasaland (Malawi)" (Hicks, 1978, p. 179).

Religious incompatibilities have hampered the Swiss federation, but whereas these have been resolved in a generally satisfactory matter, similar incompatibilities prevented the union of India and Pakistan, although the divisive forces which led to the breakdown of the federation between Pakistan and Bangladesh were based on language and culture and "had nothing to do with religion" (Hicks, 1978, p. 178).

Another incompatibility identified as being potentially problematic "is that between urban and rural interests", with Australia labelled as "a successful federation in which this incompatibility threatens to assume awkward proportions", because "the rapidly growing cities demand social services, constructional works and housing,

matters which are of only secondary interest in the rural-dominated State Parliaments (Hicks, 1978, pp. 179-180).

Finally, Hicks suggests that: (Hicks 1978 p. 172)

One of the most difficult of these is fiscal imbalance (between the central government and lower levels, or between individual states). ... If fiscal imbalance becomes serious enough it may cause the abandonment of a federal system. Even at the best it will be an obstacle to maximum efficiency of operation.

In summary then, Hicks proposes that federal stability is enhanced if:

- H1. physical geography is favourable to good communications so as to avoid problems of isolation, and of roughly equal economic value;
- H2. the population is at least compatible in terms of religion, culture, degree of education and especially race;
- H3. the federation is based on a carefully prepared and appropriate Constitution, and has an appropriately located federal capital city, and appropriately designed and sufficiently resourced (in terms of human and financial resources) legislatures, executives, judicial systems and administrations; and
- H4. imbalances in wealth and fiscal relations, and as between urban and rural interests, are minimised

3.11 Spatial Factors Proposed by B. J. Walter and M. Huebsch (1978)

Whereas the previously described works exploring factors associated with the establishment and ongoing maintenance of federations have focused predominantly on economic, social and political (including military) factors, Walter and Huebsch examine "the spatial conditions of federalism" (1978, pp. 51, 53). They compare 25 federal nation-states *at their time of federation* (listed in Table 1-1 on page 15, they include the seven nation-states under present analysis except for Belgium, which was unitary at the time of the study, and others which are no longer federations) with a control group of 25 unitary nation-states selected to approximate the "temporal and geographical spread of the federal states", in terms of nine variables selected to measure six conditions, including "an areal measure, shape index, population and distance indices creating a core index, ethnic diversity index, regional concentration index, and proration (or fragmentation) indices based on land or water" (Walter and Huebsch, 1978, pp. 53, 55). On the basis of their comparative research, Walter and Huebsch (1978, p. 62) conclude that:

there are at least five spatial variables which would favor the formation of federal states, and the converse of these variables would tend to preclude their formation. However, we cannot say that any condition is necessary because causal relationships cannot be documented. The best that can be stated is that particular conditions of the spatial variables are statistically associated with federal states at a highly significant level.

Specifically, Walter and Huebsch (1978, p. 62) observe that:

The ... five variables which were most important and which best discriminate are size, shape, population distribution between the two largest cities, ethnic diversity, and regional expression. The single most important is size ... as it contributes the most to the discriminating function. Ranking

second is ethnic diversity ... Surprisingly ... regional expression of this diversity ... had the least discriminatory power of the five variables.

Walter and Huebsch note that their work tends to contradict earlier works by De Blij (1973, p. 348) and Dikshit (1975, p. 22) which particularly stressed the significance of this 'regional expression of diversity' factor.

Significantly, so far as the present study is concerned, the analysis by Walter and Huebsch also establishes the probability that each of the 50 nation-states used in the analysis would be classified as federal or unitary on the basis of their measured spatial conditions alone (1978, p. 58). So whilst such probabilities do not necessarily offer insights into the causalities of federalism, they do provide direct insights as quantitative measures of federal *typicality*, and therefore at least some insights as to federal suitability.

In summary then, according to Walter and Huebsch, the five variables which best discriminate between federal and unitary forms, and which hence offer the best indicators of federal typicality, and at least some insight as to suitability, if not causality, are, in order of identified significance:

- WH1. size,
- WH2. ethnic diversity,
- WH3. population distribution between the two largest cities,
- WH4. shape, and
- WH5. regional expression of diversity.

3.12 Factors Proposed by D. Aitkin and B. Jinks (1985)

Aitkin and Jinks (1985, pp. 251-252) "suggest two main reasons for establishing a federal rather than a unitary system of government":

- AJ1. the desire for a political arrangement of convenience, where existing interests and tensions make power-sharing imperative if the various groups involved are to come together at all; and
- AJ2. the need to preserve the special character and rights of diverse people who might otherwise be kept separate by differences in language, race, religion or economic status.

3.13 Factors Identified by J. Seroka (1994)

Based on his analysis of the dissolution of the three formerly communist federations – the Soviet Union, Czechoslovakia and Yugoslavia – between 1990 and 1993, Seroka (1994, p. 208) concludes that federalism failed in these cases for four main reasons:

- First, none of the former socialist federations had developed a system of respect for the rule of law and constitutionalism.
- Secondly, none of the new societal elites or popular movements supported federalism due to its close identification with the previous authoritarian regimes.
- Thirdly, the ethnic division within each of the federations made the continuance of federal compacts unmanageable and difficult to legitimize.
- Finally, the socialist federations dissolved because no elite or group believed that they had received sufficient benefits from the federation to justify its costs.

Seroka goes on (1994, p. 222) to list the following seven "lessons or observations", each of which can be interpreted as a factor associated with the establishment and maintenance of federal systems:

- SE1. Federal systems need to accommodate themselves to ethnic concerns or demands. If those accommodations are not made, then the alternatives would likely be some combination of authoritarianism on the part of the central government and demands for secession on the part of the ethnic regions.
- SE2. Those who are involved in the process of federal decision-making need to consider very seriously the impact of ethnic mythologies on the long-term stability and survival of those regimes. Ethnic mythologies cannot be permitted to develop undirected without the risk of creating an ideological basis for the rejection of the federal compact.
- SE3. Federal systems cannot relegate community or ethnic minority rights to the general protection of guarantees for individual rights. Minority rights must be guaranteed independently and very visibly from the guarantee of individual rights. Additionally, no minority can be specifically excluded from protection.
- SE4. Reliance on political or economic rationality as a defense for the continuation of a federal compact will not be sufficient if rationality is in conflict with the ethnic mythologies that have been articulated and accepted. As the examples of the East and Central European former federations highlight, just because it may make no sense to dissolve a federal regime is no guarantee that it will not be dissolved.
- SE5. Federal decision-makers must keep expectations of regional gain or individual benefits low. Regional leaders and their followers must have a clear understanding of the costs of federation and a depreciated expectation of the benefits that can be derived.

- SE6. Federal systems cannot endure if their federal units do not have the capacity to deal with their responsibilities. Capacity and responsibility should be closely calibrated.
- SE7. Majority support is not sufficient for the survival of a federation. The presence of a well organized and dedicated minority opposed to that continuance of a federation will be able to weaken or destroy that federation.

3.14 Factors Identified by A. Wamala (1994)

A study by Wamala (1994, p. 265) suggested that the African federations of Cameroon, Sudan, Uganda, and Nigeria, failed, and returned to unitary systems of government, because of the following five reasons, which again can be interpreted as federal suitability factors for the purposes of the present investigation:

- WM1. First was the lack of democratic and federal will so necessary to make federalism succeed. This was because, to a large extent, African leaders have had centralist tendencies. The idea of sharing power with others appears untenable.
- WM2. Secondly, there was a lack of institutions and structures which would protect the federal arrangements. In all these cases, with the exception of Nigeria, there was only a unicameral legislature. Thus, no legislative arrangement was created to speak for or to defend the rights of the states.

WM3. Furthermore, there was the unequal distribution of power and other resources. In most cases the federal regions were put in a subordinate relationship to the centre. On the other hand, some states enjoyed enormous economic and privileged positions, to the envy of the less fortunate. The lack of parity put a heavy strain on federalism. In conditions of underdevelopment such strains may hinder federal success.

WM4. It was also seen that in societies which are so diverse and disparate as many African countries are, federalism would be the best dispensation to protect the rights of minorities. Paradoxically, most African leaders, rather than tolerating federalism, do not appear too keenly interested in systems other than the unitary state.

WM5. It should be added that federal structures of government, just like the concept of multiparty democracy, were introduced into Africa without adequate preparation. There was no time to internalize the system which has been copied.

3.15 Criteria Proposed by D. J Elazar (various years to 1995)

Elazar, a leading contemporary authority on federalism, has extended on the earlier works on federal factors of Wheare, Watts, Riker, Birch, Hicks, Deutsch, Riker, Franck et al., and a review of several of his major contributions over the past decade or so (1987, pp. 191, 240-247; 1993, pp. 192-194; 1995, pp. 477-482) reveals that he considers that the likelihood of success of a federation is greater if:

- E1. there exists the necessity for a common defense against common military or economic threats;
- E2. there exists sufficient common interests, especially economic and security interests;
- E3. there exists a common sense of nationhood and any ethnic nationalism present is able to be managed peacefully;
- E4. there exists sufficient homogeneity of fundamental interests – or consensus – to allow a great deal of latitude to the constituent governments and to permit reliance on voluntary collaboration;
- E5. there exists a supportive, or at least a congenial, political culture which respects, or at least accepts, the federal constitutional and institutional arrangements and relationships, and is committed to make them work;
- E6. the population at large and the elite is strongly predisposed toward democracy, power sharing, and the involvement of larger numbers of people in the governing process, but is opposed to and able to avoid dictatorship;
- E7. the population at large and the elite is strongly predisposed toward political self-restraint and cooperation, but is opposed to the use of force and coercion to maintain domestic order;
- E8. there exists geographic necessity;
- E9. there exists a decentralized political party system;

- E10. there exists an appropriate balance between cooperation and competition among the general government and the constituent units;
- E11. there exists the human resources to fill many public offices competently and sufficient material resources to allow a measure of economic waste in payment for the luxury of liberty;
- E12. there exists a sufficient number of federating units;
- E13. the constituent polities are sufficiently balanced and equal in size, population, wealth and resources generally so as to prevent any single unit from predominating over the others to an extent which jeopardises or appears to jeopardise the integrity or powers of the others;
- E14. there exists in both the general (central) government and the constituent (provincial) polities substantially complete and separate legislative and administrative institutions sufficient to enable each government to function in its areas of authority and to cooperate freely with the other's counterpart agencies; and
- E15. the act of federation has been developed "indigenously in ways that suit the entities involved", with the consent, support and especially the will of the population at large, and not imposed from an outside power.

3.16 Critiques by Riker and Davis

3.16.1 Riker's Critique of Deutsch's Factors

Whereas the work by Birch (as described in Section 3.5) suggested that Deutsch's conditions 3, 4, 5 and 9 only were present in all three federations (Nigeria, East Africa and Malaysia) that he examined, Riker dismisses 4, 5 and 9 on the basis that "given differential rates of change in the world" these conditions "are always present in any randomly selected group of units", and 3 because it was not present in the case of the Soviet Union (Riker 1975, p. 115; Aspaturian, 1950, pp. 20-51). Riker hence concludes (1975, p. 115) that "none of Deutsch's conditions is universal", and hence, "it is difficult to see that any are essential".

3.16.2 Riker's Critique of the Wheare-Watts Factors

Riker (1975, pp. 115-128) attempts a critical analysis of the federal suitability factors proposed by Wheare and refined by Watts. In attempting to reduce Watts' factors to a list of essential conditions, Riker justifiably eliminates that numbered WA11, claiming influence of the United Kingdom, on the basis that this factor was merely incidental to the special group of six federations in Watts study. Riker then eliminates Watts' 'hope of economic advantage' condition (WA2) as he did with Deutsch's corresponding condition (DE3), on the grounds that it was not present with the Soviet Union. He eliminates Watts' conditions WA3 and WA9 as meaningless on the grounds that leadership and efficiency are necessary for any successful government, not just the federal form. Condition WA5 is dismissed "because many federations have been created as federations precisely because they *lacked* community of outlook" (Riker, 1975, p. 115). Riker further eliminates WA6, citing Malaysia and Pakistan as geographically non-contiguous counter-examples, and WA8, citing India as a counter-example, being "created out of units, some of which were parliamentary governments and others of which were princely despotisms" (1975, p. 116).

Riker accepts that the remaining four conditions proposed by Watts (WA1, WA4, WA7 and WA10) have been present in every case of federation since that of the United States in 1787. He dismisses WA10, however, on the basis that if it were an essential condition, there could never be a first successful federation, and at any rate, "the United Netherlands was successful for two hundred years before the United States was developed" (Riker, 1975, p. 128). Citing the examples of the Soviet Union, Yugoslavia and Czechoslovakia, he dismisses WA7 on the grounds that whilst "previous association is indeed a perfect correlate of contemporary federalism ... there is no theoretical reason for this to be so" and hence it cannot be sustained "that previous association is a necessary condition" (Riker, 1975, p. 127).

Riker finally claims, triumphantly, that Watts' only remaining conditions, WA1 and WA4, are "perfect correlates of federalism, existing when federalism survives, not existing when federalism fails" (1975, p. 128), and furthermore, that these two conditions align precisely with Birch's modification of Riker's own expansion and military conditions (see conditions RB1 and RB2 on page 5). Riker hence concludes that the Riker-Birch conditions are "in fact logically necessary conditions ... federalism is not just helped along by these conditions; rather, it cannot come into existence without them" (1975, p. 128).

3.16.3 Insights and Criticism by Davis (1978)

Riker's zealous quasi-scientific approach has been criticised on grounds of imposing his particular methodology upon other studies which had no pretension of scientific let alone logical precision. Davis (1978, p. 132), for example, justifiably criticises Riker's claimed deductive proof of his expansion and military conditions hypothesis on the basis that it is based on inductive rather than deductive reasoning. Davis specifically dismisses Riker's military condition on the basis that "security motives are present in the calculations of all communities which seek greater strength through association, whether simple or complex, temporary or permanent" (1978, p. 133). So by demonstrating that Riker's alleged logically necessary conditions entail universality that transcends the federal-unitary divide, Davis eliminates Riker's expansion and military conditions in essentially the same

way that Riker dismisses Watts' conditions WA3 and WA9 (WA2 is susceptible to similar argument) as described in Section 3.16.2 above.

To Davis (1978, p. 124) there is inherent futility in attempting to enumerate necessary conditions for the establishment and maintenance of a federal state or indeed any other form of polity, because:

On the face of it, it seems scarcely conceivable that all parties that join in federal union (or for that matter in any kind of political association) come together at all times and in all places for the same reasons, wanting the same things, in the same proportions, or indeed that the texture and the intensity of the desires within any one group of people who come together at one time, in the one place, should be the same. And one may well conclude from history that the reasons which move communities to federate are finely woven into the specific historical experience of each community, and the experiences of each community are its reasons.

Davis (1978, p. 141) is only prepared to concede that "what is common to all cases of the establishment of federal systems is a discussion of what kind of political structure is to result, and a process of hammering out an agreement to accommodate different interests" (Harman, 1992, p. 346).

3.16.4 Rejection of the Outright Criticisms of Riker and Davis

As stated in Section 1.4.3, it is assumed herein throughout that value can be found in all sets of factors that have been presented, so long as they are interpreted with due consideration of their limitations. Wheare and Watts at no stage claim that their conditions are even universally observed, let alone logically necessary, however their comparative historical approach and their identification of significant patterns clearly adds significantly to the overall understanding of federal systems – which is all they claim to have contributed. They attempt to incorporate inherently broad and complex social, economic, geographic as well as political factors, and their approach is inherently empirical, so of course their factors will fall short of

the watertight logically necessary conditions which Riker over-ambitiously calls for. Riker and Birch consider only political factors and seek necessary conditions for federalism. Their main fault is in claiming deductive proof of their hypothesis and a certain metaphysical significance in the value of their own work whereas their plainly inductive and empirical approach invalidates such claims as a strict matter of epistemological limitation. Riker, in particular, is far too inclined to undervalue the work done by other researchers in the field of federalism whose methodological approaches differ from his own. But it would again be counter-productive to overlook the obvious value of the work Riker and Birch have so enthusiastically contributed – in emphasising political and security factors associated with federations and highlighting limitations of factors proposed by others – merely on account of their exaggerated claims and criticisms, and their philosophical shortcomings.

Davis' outright rejection of the pursuit of generally applicable criteria and factors associated with federations, whilst lucidly put and strictly rational, overstates the epistemological limitations of empirical approaches, and in so doing, undervalues empirical approaches in general, and the particular patterns and conclusions – however tentative and specific – which Wheare, Deutsch, Riker, Birch, Watts and others have proposed. But as with Riker, Davis highlights the limitations associated with the various sets of conditions for federalism which have been proposed and in this sense at least contributes to the matter at hand.

3.17 Factors Selected for Use in Country Comparisons

3.17.1 Factor Selection Methodology

The aim of the factor selection process has been to establish an optimal, final set of federal factors which is as comprehensive as possible, and refined so as to minimise overlap and duplication among factors. This final list of factors has been achieved through the following three basic steps which are described in turn:

1. match-up of corresponding factors;
2. refinement and rationalisation of extended list of factors; and
3. re-order factors

3.17.1.1 Match-up of Corresponding Factors

The initial step taken in the establishment of a final list of factors was the *matching up*, to best approximation, of corresponding factors across the lists (with the Riker and Riker-Birch conditions considered as a single list). For this purpose, it was appropriate to employ one of the more comprehensive, all-encompassing lists as a datum, or reference, list against which all other factors would be compared.

The lists of factors established by Wheare, Watts and Sawyer, and that presented on the basis of Elazar's works, can be regarded as comprehensive in that they purport to and do actually cover social, economic, spatial and political factors, whereas the other lists are confined to more restricted classes of factors. Riker's conditions, for example, are purely political factors, whilst Walter and Huebsch only consider spatial factors.

Whereas the factors proposed by Watts, Sawyer and Elazar can all be regarded as refinements on Wheare's original factors, those attributed to Elazar incorporate the most recent insights of these four comprehensive lists, and on that basis, was selected as the reference list for comparative cross-referencing purposes.

Table A-1 at Appendix A (page A-2), which displays Elazar's factors in the extreme left column, records the results of this comparative cross-referencing procedure.

3.17.1.2 Refinement and Rationalisation of Extended List of Factors

The match-up process described above is of course inherently subjective, and far from exact, and in most cases correspondences are only partial, so that single factors in Elazar's on occasions are matched up with two or more factors in another, and vice-versa.

Those factors from lists other than Elazar's which did not match up with any of Elazar's factors are presented below the black line in the lower portion of Table A-1. These residual factors were also matched up such that each row of the Table comprises (to best approximation) corresponding factors. Taking account of these residual factors *extends* the span of the final list of factors to its most comprehensive extent.

Table A-1 shows that Elazar's *two* conditions E6 and E7 are all assessed as matching up with the *single* factors S6, WA9, DT5, W7, F2, SE7, WM1 and WM5 proposed by Sawer, Watts, Dikshit, Wheare, Franck, Seroka and Wamala respectively. This example, among others, draws attention to the need to rationalise the list to minimise duplication and overlap.

The refinement process seeks to optimise the wording associated with each factor by incorporating the best features of all the corresponding factors in each row of Table A-1 (or rows, taking into account the concurrent rationalisation process), and additional insights where considered appropriate.

The process of rationalisation and refinement of the extended list of factors (taking account of factors residual to match-ups with Elazar's 15 factors), which has been employed in order to establish a final list of eleven federal factors, is described in full in Appendix A (pages A-1 to A-5).

3.17.1.3 Final Re-ordering of Factors

The final stage of the factor selection process was that of assembling them in as sensible and logical an order as possible, with related factors more or less nearby in the list. This process is again documented at Appendix A (pages A-5 to A-7), and the final set of 11 federal factors for use in the following chapter are listed below:

3.17.2 Final List of 11 Federal Factors

The analysis and synthesis described above and in Appendix A suggests that the likelihood of success of a federation is greater if:

- F1. there exists a common recognition of the need for common defence against common security (military, economic or other) threats, and federation, hence or otherwise, is thought to provide the best chance of maintaining a viable independence from foreign powers;
- F2. federation is expected to confer common-market and other economic advantages;
- F3. there has been a history of cooperative association among the federating units and, hence or otherwise, there exists a sufficiently strong and common sense of nationhood, and sufficient
 - homogeneity of fundamental interests on the basis of culture, race, language and religion,
 - consensus on social, economic and political issues, and
 - compatibility among, or a capacity at any rate to accommodate, all ethnic nationalisms (majority and minority) present;

- F4. friendly relations are maintained across provincial boundaries:
- by virtue of a highly mobile population which frequently communicates and travels across provincial boundaries,
 - because social, economic and cultural (including ethnic, linguistic and religious) cleavages within the federation differ from and hence overlap (rather than coincide with) provincial political boundaries, or
 - otherwise;
- F5. the act of federation has taken place:
- voluntarily – absent of imposition from an outside power,
 - carefully,
 - without haste,
 - mindful of the ingredients of success of other federations but at the same time "indigenously in ways that suit" the particular federating parties involved,
 - under the authority of a well tailored Constitution and strong leadership, and
 - with the consent, support, understanding and especially the will of the population at large and all significant interest groups;
- F6. the political culture, population at large, elites and holders of political power at all levels are:
- respectful, or at least accepting, of the federal constitutional and institutional arrangements and relationships, and committed to make them work,
 - strongly predisposed toward democracy, power sharing, the involvement of large numbers of people in the governing process, political self-restraint, and cooperation,
 - respectful of the rule of law, and
 - strongly opposed to, and able to avoid, dictatorship and the use of force and coercion to maintain domestic order;

- F7. there exists a decentralized political party system;
- F8. there exists sufficient national wealth and human resources to:
- absorb the added costs of duplication (both vertical and horizontal) inherent in federations, and
 - hence or otherwise, provide, in both the general (central) government and the constituent (provincial) polities, substantially complete, competent and separate legislative and administrative institutions which are able to function in their areas of authority and cooperate freely with counterpart agencies (among the general government and all the constituent governments);
- F9. the constituent polities are sufficiently balanced and equal in size, population, institutional development, wealth and resources generally, so as to prevent any single unit from predominating over the others to an extent which jeopardises or appears to jeopardise the integrity or powers of the others;
- F10. there exists a sufficient number of federating units (Sawer believes at least five); and
- F11. there exists geographic factors which necessitate, favour or tend to reinforce the given federal structure.

4. ESTIMATION OF THE RELATIVE SUITABILITY OF THE SEVEN FEDERATIONS

In this chapter, the 11 factors derived in the previous chapter are applied to the seven countries under consideration in an effort to assess – in a relative sense – how well they are suited to a federal system of government in general, and their unique federal arrangements in particular.

For each of the 11 factors, relevant (or at least apparently relevant) statistics, facts, data, examples and arguments are employed to establish a plausible ordinal ranking of relative federal suitability of the seven countries under examination.

Whilst the eleven factors are intended to span as comprehensively as possible, their development has been a compromise based on the competing desires to achieve a set of factors which is at once comprehensive and at the same time absent of overlap and duplication. So despite efforts to the contrary, the 11 derived factors are neither mutually exclusive nor independent in terms of their contribution to a country's overall federal suitability. Factors F1 and F2, for example, are both related to notions of national advantage, and factors F3, F4 and F6 mutually overlap to some extent. Similarly, factor F7 can be regarded as falling within the span of factor F6, but has been identified here as a 'stand-alone' factor in view of the especially great significance assigned to it according to such researchers as Ranney and Kendall (1956), Grodzins (1974, pp. 1-23) and Elazar (1995, p. 481; 1987, p. 178).

Notwithstanding the unavoidable overlap and duplication that remains among the 11 factors employed here, each factor shall nevertheless, as far as possible, be applied under the familiar *ceteris paribus* (all else being equal) assumption.

For each factor, the seven countries being compared are placed in rank order and assigned an ordinal rank ranging from 1 (most suitable among the seven) to 7 (least suitable). In generating these rank orders, relational expressions shall, where helpful, be employed according to the following symbolic convention:

- $F\alpha$ (Fed1 > Fed2) means that in terms of factor $F\alpha$ (α ranging from 1 to 11), federation 'Fed1' is better suited to its federal system than federation 'Fed2'; and
- $F\alpha$ (Fed1 ~ Fed2) means that in terms of factor $F\alpha$ (α ranging from 1 to 11), either (1) federations 'Fed1' and 'Fed2' are more or less equally suited to their respective federal systems, or (2) the relative ranking as between 'Fed1' and 'Fed2' is inconclusive.

The following country abbreviations are also employed:

Table 4-1 Country Abbreviations

Country	Country Abbreviation
United States of America	USA
Switzerland	SWI
Canada	CAN
Australia	AUS
India	IND
Germany	GER
Belgium	BEL

The chapter now proceeds under separate subheadings, firstly for assessments in terms of each of the 11 individual factors. In Section 4.12 at the end of the chapter, the suitability rankings based on the 11 factors are considered together in order to establish an overall, or composite, estimation of federalism's relative suitability in the seven countries under investigation.

4.1 Relative Federal Suitability Based on Factor F1

According to factor F1, the likelihood of success of a federation can be assessed by examining the extent to which there exists a common recognition of the need for common defence against common security (military, economic or other) threats, and federation, hence or otherwise, is thought to provide the best chance of maintaining a viable independence from foreign powers.

This factor refers primarily to the extent to which federalism is needed and relied upon to safeguard units – otherwise inclined to stand alone as independent states – which would be more susceptible to external threats of hostile invasion or takeover if not for the safety and security their position within federal union provides.

In assessing federations on the basis of factor F1 here it is instructive to note that departures from federation can occur in either of two directions, as follows from Figure 1-1 (page 11). *Separation* of federating units can occur if centripetal (outward pushing) forces sufficiently overbalance centrifugal (inward pulling) forces. Alternatively, a move to a unitary state, or *unification*, can occur if centrifugal forces sufficiently exceed centripetal forces beyond a certain threshold. On the face of it, factor F1 would clearly seem most applicable to federations in the former category, since a country's strategic relationship with countries beyond its borders is largely independent of where its internal governmental structure lies along the federal-unitary continuum.

Among the seven federations considered, Canada (Usher, 1995; Stewart, 1999, p. 8), Belgium (Leonard, 1994, pp. 44-45; O'Neill, 1998) and India (Taylor, 1993, p. 172; Derbyshire and Derbyshire, 1996, p. 115) are all subject to vigorous contemporary secessionist or separatist movements, with that in Canada appearing especially threatening (Stewart, 1999, p. 8). Accordingly, these three federations shall be classified for present purposes as *separatist-tending* federations. On account of demographic homogeneity and other cultural features explored in more detail in Section 4.3 (where factor F3 is considered), Australia and Germany shall be classified as *unitary-tending* federations for present purposes. This

classification does not presume or predict a move to a unitary state in Australia nor Germany, but simply reflects the view that the human and physical geography and general circumstances of these countries are more likely to encourage unification than separation. The United States and Switzerland are considered neither separatist-tending nor unitary-tending respectively because of their general absence of both separatist tendencies and homogeneity.

Returning to the issue of security threats which factor F1 is primarily associated with, it is noteworthy that India's diplomatic relationships with China, and particularly Pakistan, are extremely precarious at present due to border disputes in Tibet and Kashmir (Binyon, 1999, p. 13; MacKinnon, 1999, p. 13). There are certainly no such threats facing the other two separatist-tending federations (Canada and Belgium) at the moment.

The preceding discussion suggests that the seven federations can be meaningfully assessed, in terms of Factor 1, on the basis of susceptibilities to external threats (military, economic or otherwise), and secessionist, or separatist, tendencies present, and in particular, whether or not external threats appear sufficiently strong to neutralise separatist tendencies if present. Accordingly, the seven federations shall be assessed in terms of factor F1 by considering each specifically in terms of the following three contributing sub-factors:

- the level of external threat faced at present;
- the consequences of separation; and
- the extent of secessionist, or separatist, tendencies present.

On grounds of necessity and reliance upon federation for continued security, federal suitability shall be assumed to increase with both (1) increased levels of external threat, and (2) increasingly grave consequences of separation. And of course it shall be assumed that federal suitability decreases as the likelihood of separation increases. The first two of these three factors (level of threat and consequences of separation) alone indicate the extent to which federation is *relied upon* for security, however the third factor (extent of secessionist tendencies) shall

be incorporated into calculations as a moderating factor in order to present a more balanced overall measure of federal suitability (it would be unbalanced, for example, to exaggerate the security vulnerability Australia would experience if it separated into two or more parts in view of the unlikelihood of such separation).

The seven federations shall be assessed and assigned numerical measures in terms of each of the three nominated sub-factors according to the scales set out in Table 4-2 below. In order to conform with the convention declared in the introduction to this chapter, lower scores are seen to correspond with higher levels of assessed federal suitability for all three sub-factors considered here.

Table 4-2 Key to Assessments in Terms of Factor F1

External Threat Level	Consequences of Separation	Separatist Tendencies
1 = very high	1 = very grave	1 = very low
2 = high	2 = grave	2 = low
3 = moderate	3 = moderate	3 = moderate
4 = low	4 = insignificant	4 = high
5 = very low	5 = very insignificant	5 = very high

Table 4-3 on the following page summarises assessments made of each of the seven federations in terms of the three sub-factors referred to above. Threat assessments are supported by studies carried out by Almond and Bingham Powell (1978, p. 8). The final column provides an overall assessment of the likelihood of survival of the respective federations on the basis of the extent to which federation is relied upon for security. The two numerical scores provided in the final column are, as indicated: (1) the additive *sum* of the three contributing sub-factor scores (simply the addition of the three contributing scores), providing an arithmetically weighted (in statistical terms) composite score, and (2) the multiplicative *product* of the three contributing sub-factor scores (the three contributing scores multiplied together), providing a geometrically weighted (in statistical terms) composite score. The appropriateness of the weightings of the three sub-factors employed here, and indeed the sub-factors themselves, are matters for further consideration.

Table 4-3 Federal Suitability Assessment Based on Factor F1

Country	External Threat level	Consequences of Separation	Extent of Secessionist, or Separatist, Tendencies	Likelihood of Survival in View of Extent to which Federation is Relied upon for Security (sum/product)
Australia	moderate - highly vulnerable due to isolation if not obviously under threat 3	grave - smaller/weaker separated units susceptible to hostile takeover from foreign powers 2	very low - present in the past (for example Western Australia in the 1920s and 1930s; see May, 1970, p. 83; Hicks, 1978, p. 173) but now very low; unifying forces probably slightly exceed separating forces 1	(6/6)
United States	very low - in view of superpower status 5	very insignificant - separate units viable 5	very low - present but extremely low 1	(11/25)
Switzerland	low - little or no threat 4	moderate - susceptible to takeover by France, Germany or Italy but separated units likely to be viable in the European Union should they desire to join 3	very low - present in the past (for example in Jura; see for example Watts, 1994, p. 4) but now very low 1	(8/12)
Canada	low - little or no threat 4	moderate - in event of Quebec separation, British Canada susceptible to peaceful absorption into the USA (see Hicks, 1978, p. 177) 3	very high - strong likelihood of Quebec secession in near future; Maritime provinces have also been subject to albeit much less vigorous secessionist movements (see May, 1970, p. 83) 5	very low (12/60)
India	very high - under threat from Pakistan and China - especially at borders contested by these two countries 1	very grave - susceptible to hostile takeover/occupation from Pakistan and/or China, especially in disputed Kashmir and Tibet regions 1	high - moderate likelihood in medium term future (see Taylor, 1993, p. 172; Derbyshire and Derbyshire, 1996, p. 115) 4	(6/4)
Germany	low - little or no threat 4	very insignificant - separate units would appear viable to stand alone in the European Union 5	very low - not present 1	(10/20)
Belgium	low - little or no threat 4	very insignificant - separate units appear viable to stand alone in the European Union 5	high - moderate likelihood of Flanders independence in medium term future 4	(13/80)

The sum and product figures in the final column of Table 4-3 above suggest the following ordinal rankings of federal suitability:

Based on Sums:

F1 (IND ~ AUS > SWI > GER > USA > CAN > BEL) ...[F1.1]

Based on Products:

F1 (IND > AUS > SWI > GER > USA > CAN > BEL) ...[F1.2]

Expression [F1.2] is seen to be a better discriminator of federal suitability here than expression [F1.1] – specifically as between India and Australia, and accordingly shall be adopted as the ordinal ranking for factor F1, as follows:

Table 4-4 Suitability Ranking Based on Factor F1

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	IND	AUS	SWI	GER	USA	CAN	BEL
Ordinal Rank	1	2	3	4	5	6	7

Certainly the recent escalation of conflict between India and Pakistan raises doubts about India's security altogether, let alone the security of its federal arrangements, and it clearly seems appropriate to assign India a higher rank according to this factor than Australia. Furthermore, it is significant that India's constitution has provisions which effectively return it to unitary status in times of emergency. Nathan and Balmaceda (1990, p. 73) observe that the Indian government itself classifies its political system as "unitary in extraordinary situations, such as war (or emergency), and federal in normal times". The Indian constitution provides the central government "the right to veto state legislation and take over the administration of states under emergency conditions" – a power which had been used 77 times since Indian independence up to 1990 (Nathan and Balmaceda, 1990, p. 65).

4.2 Relative Federal Suitability Based on Factor F2

According to factor F2, the likelihood of success of a federation can be assessed by examining the extent to which federation is expected to confer common-market and other economic advantages.

In an assessment of the main beneficiaries of federalism, Riker (1964, p. 155) assessed that *capitalists* in the United States, Canada, Australia, Switzerland and Germany all benefited from federalism, but they did not in India (Belgium was not included in the study being unitary at the time). Whilst mindful of this assessment, the debate as to whether or not populations at large benefit from the success of their capitalist classes is highly contentious and certainly beyond the scope of the present thesis. For present purposes, factor F2 will be assessed here on the basis of common market and economic advantages which enhance the 'common good' across populations at large, not just among capitalists in each country.

The federations shall be assessed in terms of factor F2 here using a style of comparison similar to that used with factor F1 in the preceding section. As with factor F1, F2 has different significance for separatist-tending federations (Canada, Belgium and India) as compared with unitary-tending ones (Australia and Germany), since in the latter the presence of a common market does not depend upon where the country lies across the federal-unitary continuum. Essentially the only difference is that whereas factor F1 was concerned with the extent to which federation is relied upon for security, factor F2 is concerned with the extent to which federation is relied upon for common market and related economic advantages. Accordingly, the federations shall be assessed in terms of factor F2 by considering each in terms of the following three contributing sub-factors:

- the extent of common market and economic advantages secured through federation;
- the consequences of separation; and
- the extent of secessionist, or separatist, tendencies present

As with factor F1, the first two of the three factors above (extent of common market and economic advantage secured through federation, and consequences of separation) alone indicate the extent to which federation is relied upon for such advantages, and the third factor (extent of secessionist tendencies) shall be incorporated into calculations as a moderating factor to provide a balanced overall

measure of federal suitability. The three contributing sub-factors to be employed here shall be assessed according to the following scales:

Table 4-5 Key to Assessments in Terms of Factor F2

Extent of Common Market and Economic Advantages Secured Through Federation	Consequences of Separation	Secessionist Tendencies
1 = very great	1 = very grave	1 = very low
2 = great	2 = grave	2 = low
3 = moderate	3 = moderate	3 = moderate
4 = slight	4 = insignificant	4 = high
5 = very slight	5 = very insignificant	5 = very high

Table 4-7 on the following page summarises assessments made of each of the seven federations in terms of the three sub-factors referred to above. The final column provides an overall assessment of the likelihood of survival of the respective federations on the basis of the extent to which federation is relied upon to protect common market and other economic advantages.

The sum and product figures in the final column of Table 4-7 suggest the following ordinal rankings of federal suitability:

Based on sums:

F2 (AUS > SWI > USA ~ IND > GER > CAN > BEL) ...[F2.1]

Based on products:

F2 (AUS > SWI > USA > IND > GER > CAN > BEL) ...[F2.2]

Expression [F2.2] is seen to be a better discriminator of federal suitability than expression [F2.1] here – this time as between the United States and India, and accordingly shall be adopted as the ordinal ranking for factor F2, as follows:

Table 4-6 Suitability Ranking Based on Factor F2

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	AUS	SWI	USA	GER	IND	CAN	BEL
Ordinal Rank	1	2	3	4	5	6	7

Table 4-7 Federal Suitability Assessment Based on Factor F2

Country	Extent of Common Market and Economic Advantages Secured Through Federation	Consequences of Separation	Extent of Secessionist, or Separatist, Tendencies (ratings here identical to those in Table 4-3, p. 79)	Likelihood of Survival in View of Extent to which Federation is Relied upon for Common Market and Economic Advantages (sum/product)
Australia	great - in view of Australia's isolation and distance from foreign markets and relatively small domestic market 2	very grave - smaller/weaker separated units susceptible to hostile takeover from foreign powers 1	very low 1	(4/2)
United States	slight - in view of North American Free Trade Agreement (NAFTA) 4	insignificant - separate units would in most cases appear viable to stand alone 4	very low 1	(9/16)
Switzerland	slight - in view of European common market arrangements; notwithstanding that Switzerland is not a member of the European Union (EU) 4	moderate - units resulting from Swiss separation would be very small; less viable than those likely to arise from Belgian, German or US separation 3	very low 1	(8/12)
Canada	slight - in view of overriding NAFTA 'security blanket' 4	moderate - in view of possible compromise of NAFTA in event of Quebec separation 3	very high 5	very low (12/60)
India	great - in view of lack of wealth overall, despite vast population and domestic markets 2	moderate - separated entities would be populous enough to avoid disadvantages on economies of scale grounds 3	high 4	(9/24)
Germany	very slight - in view of European Union common market arrangements 5	very insignificant - separate units would appear viable to stand alone in Europe 5	very low 1	(11/25)
Belgium	very slight - in view of overriding EU 'security blanket' 5	very insignificant - separate units would appear viable to stand alone in Europe 5	high 4	(14/100)

4.3 Relative Federal Suitability Based on Factor F3

According to factor F3, the likelihood of success of a federation can be assessed by examining the extent to which there has been a history of cooperative association among the federating units and, hence or otherwise, there exists a sufficiently strong and common sense of nationhood, and sufficient

- *homogeneity of fundamental interests on the basis of culture, race, language and religion,*
- *consensus on social, economic and political issues, and*
- *compatibility among, or a capacity at any rate to accommodate, all ethnic nationalisms (majority and minority) present.*

Referring especially to the cases of Switzerland and Canada, Wheare (1963, p. 41) suggested that:

There is one factor, at least, which itself alone quite certainly could produce the desire for separation among communities otherwise prepared to unite. This factor is divergence of nationality.

Citing research by Duchacek (1970, pp. 294-309), Elazar (1987, p. 209) remarks, however, that:

Contrary to some theories, federalism has not proved to be a particularly good device for integrating diverse nationalities into a single political system unless it has been accompanied by other factors compelling integration.

Elazar (1993, p. 194) elaborates by stating that:

ethnic federations are among the most difficult of all to sustain and are least likely to survive because constituent units based on ethnic nationalisms normally do not want to merge into the kind of tight-knit units necessary for federation.

Watts (1994, p. 10) assesses the strength of the national identities of the federations under consideration, except for Belgium, as follows (emphasis added):

multi-ethnic federations have been among the most difficult to sustain as experience in Nigeria, *India*, Malaysia and *Canada* and the effort to federalize Europe have illustrated. ... There is no doubt that fundamentally mono-ethnic federations such as the *United States*, *Australia* and *Germany* have faced fewer difficulties, but the persistence of federation in *Switzerland* and *Canada* for well over a century suggests that in certain conditions multi-ethnic federations can be sustained.

Elazar (1995, p. 480) provides a similar summary assessment, as follows (emphasis added):

Federation is usually based on a sense of common nationality binding the constituent polities and people together. In some countries this sense of nationality has been inherited, as in *Germany*, while in Argentina, *Australia*, and the *United States* it had to be at least partly invented. *Canada* and *Switzerland* have had to evolve this sense of nationality in order to hold together strongly divergent groups. Yugoslavia failed to do so. In the more recently formed federations of *India*, Malaysia, and Nigeria, the future of federalism is endangered by the absence of such a common sense of nationhood.

The above reflections by Watts and Elazar suggest the following tentative ordinal ranking of federal suitability among six of the seven federations under examination (all but Belgium) on the basis of their sense of nationhood:

F3 (GER > AUS ~ USA > SWI ~ CAN > IND) ...[F3.1]

So far as linguistic homogeneity is concerned, work by Lane, McKay and Newton (1991, p. 19) establishes the following ordinal ranking among six of the federations (all but India) under examination:

F3 (GER > AUS > USA > SWI > CAN > BEL) ...[F3.2]

Lijphart (1984, pp. 179-180) introduces a concept of congruence in relation to federations, which is a measure of territorial homogeneity defined as follows:

Congruent federations are composed of territorial units with a social and cultural character that is similar in each of the units and in the federation as a whole. In a perfectly congruent federal system, the component units are miniature reflections of the important aspects of the whole federal system. Conversely incongruent federations have units with social and cultural compositions that are different from each other and from the country as a whole. Another way of expressing this difference is to compare the political boundaries between the component units of the federation and the social boundaries between groups like religious and ethnic minorities. In incongruent federations, these boundaries tend to coincide, but they tend to cut across each other in congruent federal systems.

Employing a Rae-Taylor index of fragmentation (Rae and Taylor, 1970, pp. 22-44), which varies between "0 for a completely homogeneous society and 1 for a hypothetical extreme case of a plural society where each individual belongs to a different group", Lijphart (1984, p. 181) establishes congruence measures based on ethnicity and religion as reproduced (in a modified format) in Table 4-8 below:

Table 4-8 Ethnic and Religious Fragmentation in Six Federations

	Rae-Taylor Index for Whole Country = W	Weighted Average of Rae-Taylor Indices in States and Territories (or equivalent) = S	Congruence = Decrease in Fragmentation (%) (of S relative to W)	Number of Units in Federation
Congruent Federations				
Australia	.58	.58	0	8
United States	.29	.28	6	51
Germany	.56	.49	13	11
Incongruent Federations				
Switzerland	.53	.34	36	26
Canada	.54	.33	38	12
Belgium	.53	.14	74	3

The congruence (or decrease in fragmentation) figures (of the fourth column) above suggest the following federal suitability rank ordering:

$$F3 (AUS > USA > GER > SWI > CAN > BEL) \quad \dots[F3.3]$$

Expressions [F3.1], [F3.2] and [F3.3], viewed together, are inconsistent in relation to the position of Germany in the rank ordering, as compared with Australia and the United States (the order between which appears settled), and inconclusive as to the relative positions of Belgium and India.

According to Connor (1972) Germany (the two Germanies at the time) is the only country among the seven under present consideration which is mono-ethnic. Parri (1989, p. 209) similarly observes that:

The West German polity shows, relative to other Western federations, fewer territorial cleavages and a considerable socio-economic and cultural homogeneity. ... according to some observers, German federalism has become a simple system of administrative decentralisation in a *de facto* centralised and unitar[y] polity.

Homogeneity across sub-national boundaries is also an outstanding feature of Australia. Aitkin and Jinks (1985, p. 252) observe that the Australian "community has been seen as so homogeneous that there could be no cultural or economic

justification for federalism." Nathan and Balmaceda (1990, p. 64) similarly remark, in relation to Australia, that:

there is remarkable social and economic homogeneity across the country. The strength of their regional identification comes not so much from social and cultural differences as from their historical isolation.

In contrast, Taylor (1993, p. 172) refers to an official Indian census which recorded 1652 'mother tongues'. Nathan and Balmaceda (1990, p. 64) note further that:

India adopted a federal form upon independence in 1947, which involved the incorporation of 552 princely states into a federal union of largely linguistic states, now 25 in number. There are substantial cultural, historical, and economic differences between the states, as well as differences in their size and population.

The above insights on Germany, Australia and India suggest the following ordinal ranking of federal suitability on the basis of cultural homogeneity, which is consistent with expressions [F3.1] and [F3.2] and contrary to [F3.3] in respect of Germany only:

F3 (GER > AUS > USA > SWI > CAN > BEL > IND) ...[F3.4]

The above ranking is consistent with a study carried out by Almond and Bingham Powell (1978, p. 8), which classified India's ethnic-linguistic fractionalization as 'very high', Canada's as 'high', the United States' as 'substantial' and Germany's as 'low'. This latest ordinal ranking also seems consistent in relation to homogeneity of political and social institutions, as well as culture. According to Wheare (1963, p. 39):

similarity of social institutions ... existed in the Australian colonies for example, but it was modified in the American states notably by the fact that

some states favoured the institution of slavery and others did not. In Canada and Switzerland there were differences of custom [especially language] and of private law between the uniting regions.

In addition to the issue of homogeneity, factor F3 is also based upon the extent to which the seven federations have been able to accommodate ethnic national minorities. Despite being far more diverse and heterogeneous than the other six federations under present consideration, India has nevertheless been quite successful in accommodating ethno-linguistic minorities (Wheare, 1963, p. 46; Taylor, 1993, p. 172) and securing "political and cultural rights for the larger ethno-linguistic groups" (Taghavi-Dinani, 1982, p. 10), especially through the creation of linguistic and communal states (Smith, 1985, p. 55) under the authority of flexible constitutional provisions which enable boundary changes to be made on the basis of a majority vote in the federal parliament alone (Taylor, 1993, p. 172).

Despite India's impressive record in accommodating ethno-linguistic minorities, and the problems which Belgium and Canada continue to experience in the face of strong separatist elements and provincial loyalties which exceed national ones, the challenge to federalism presented by India's immense ethno-linguistic diversity justifies its last position in the rank orderings here. Accordingly, the ordinal ranking of federal suitability recommended on the basis of factor F3 here shall be that of expression [F3.4], as follows:

Table 4-9 Suitability Ranking Based on Factor F3

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	AUS	GER	USA	SWI	CAN	BEL	IND
Ordinal Rank	1	2	3	4	5	6	7

4.4 Relative Federal Suitability Based on Factor F4

According to factor F4, the likelihood of success of a federation can be assessed by examining the extent to which friendly relations are maintained across provincial boundaries, whether:

- *by virtue of a highly mobile population which frequently communicates and travels across provincial boundaries,*
- *because social, economic and cultural (including ethnic, linguistic and religious) cleavages within the federation differ from and hence overlap (rather than coincide with) provincial political boundaries, or*
- *otherwise.*

The basis of this factor is that federalism is *enhanced* if cultural cleavages *do not* coincide with sub-national (state of equivalent) boundaries, but is *compromised* if such cleavages *do* coincide (Duchacek, 1991, pp. 30-34). Federal stability indeed appears to be highly sensitive to the extent of such coincidence or lack thereof.

The rationale behind this general hypothesis is well summed up by Dikshit (1975, p. 234):

The point is most clearly brought out by the example of Switzerland where the boundaries of language and religion are highly overlapping. The overlapping boundaries of language and religion in Switzerland have weakened both language and religion as divisive forces, for each linguistic group contains representatives of both the faiths, and of course *vice versa*. Hence, although the Catholics may harbour a distaste for the Protestants (or *vice versa*), they cannot discriminate or fight against them because each (the Catholic as well as the Protestant bloc) is divided within itself, since a sizable number of its own group has a close affinity with a sizable section on the opposing side owing to ties of a common language of communication despite the differences in faith. Thus, neither side has been able to fortify its camp without risking a fair segment of its group in the

opposite camp. Thus, neither language nor religion has been able to overlay its hand and the fissiparous tendencies have been cancelled out.

Dikshit contrasts between Switzerland and Canada to further emphasise the point (1975, p. 235):

Because both the French language and the Roman Catholic faith have been very highly identifiable with the province of Quebec in Canada, here the religious and linguistic division, in contrast to the situation in Switzerland, has been plaguing the federal partnership. the point is obvious in the case of India also, where, ever since the creation of linguistic states in the nineteen fifties, fissiparous tendencies have raised their ugly heads.

Paddison (1983, p. 129) provides the following additional support for the cross-cutting hypothesis:

It is this factor of cross-cutting cleavages that students of Swiss federalism have suggested helps to explain the basic stability of the federation. An early definition [for which Paddison provided no reference details] of the cross-cutting hypothesis argued that 'A society ... which is ridden by a dozen oppositions running along lines running in every direction may be actually in less danger of being torn with violence ... than one split along just one line'. Thus where individuals are members of more than one formal or informal group their attitudes will be moderated as a result of the cross currents stemming from multiple membership.

Paddison (1983, p. 133) suggests that these cultural cleavages are principally defined by language and religion, whilst "economic differences overlay and reinforce the cleavages formed by language and religion."

The federations shall be assessed in terms of factor F4 here using a style of comparison similar to that used earlier with Factors F1 and F2, in terms of the following two contributing sub-factors, the first of which is clearly influenced by the size and number of states (or equivalent) present in each federation:

- inter-state mobility and friendliness; and
- extent of federal reinforcement/compromise resulting from overlap/coincidence of cultural cleavages and sub-national boundaries

These two contributing sub-factors shall be assessed according to the following scales:

Table 4-10 Key to Assessments in Terms of Factor F4

Inter-state Mobility and Friendliness	Extent of Federal Reinforcement/Compromise Resulting from the Overlap/Coincidence of Cultural Cleavages and Sub-national Boundaries
1 = very high	1 = highly reinforced
2 = high	2 = somewhat reinforced
3 = moderate	3 = neither reinforced nor compromised
4 = low	4 = somewhat compromised whether due to homogeneity or coincidence of cleavages
5 = very low	5 = highly compromised due to high coincidence of cleavages
	6 = very highly compromised due to almost exact coincidence of cleavages

Table 4-11 below summarises assessments made of each of the seven federations in terms of the two sub-factors referred to here. The final column provides an overall, or composite, assessment of the likelihood of survival of the respective federations on the basis of these two sub-factors. As would be expected, the assessments in the third column of Table 4-11 are generally consistent with the fragmentation data as shown in the fourth column of Table 4-8 and expression [F3.3] (page 87).

Table 4-11 Federal Suitability Assessment Based on Factor F4

Country	Inter-state Mobility and Friendliness	Extent of Federal Reinforcement/Compromise Resulting from the Overlap/Coincidence of Cultural Cleavages and Sub-national Boundaries	Composite Suitability Estimate (sum/product)
Australia	high - very high in terms of friendliness; inter-state mobility is impeded by the vast size of the states 2	somewhat compromised due to homogeneity - unitary-tending federation 4	(6/8)
United States	very high - despite black/south versus white/north divisions and pockets of cultural (Louisiana) or geographical (Hawaii and Alaska) isolation - such examples are insufficient to alter the overall assessment; whilst similar in size to Australia and Canada, states on average are much smaller in area 1	neither reinforced nor compromised - USA has both overlap and cleavage in different parts of the country, but these appear to more or less cancel out and do not seem influential either way 3	(4/3)
Switzerland	high - small size assists 2	highly reinforced - unique in the world - perhaps even a fluke! 1	(3/2)
Canada	very low - the relationship between Quebec and the remainder of Canada considered as a whole is most relevant here; the vast size of the provinces is an additional disadvantage 5	highly compromised - French Canadian culture very substantially confined within Quebec 5	(10/25)
India	very low - large size, cultural variation discourages and lack of wealth impede inter-state mobility 5	somewhat compromised due to coincidence of cleavages - would be more highly compromised but the great number of states somewhat 'dilutes' the problem 4	(9/20)
Germany	very high - aided by homogenous culture and sense of national identity, and relatively small size 1	somewhat compromised due to homogeneity - unitary-tending federation 4	(5/4)
Belgium	very low - especially relative to Belgium's small size; Flanders and Wallonia very much separate communities 5	very highly compromised - due to such exact coincidence of cultural and sub-national divisions (see Table 4-8 on page 87, and Lijphart, 1984, p. 182) 6	(11/30)

The following ordinal ranking of federal suitability is suggested by the sum and product figures in the final column of Table 4-11 alike, and shall accordingly be adopted as the ranking for factor F4:

Table 4-12 Suitability Ranking Based on Factor F4

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	SWI	USA	GER	AUS	IND	CAN	BEL
Ordinal Rank	1	2	3	4	5	6	7

4.5 Relative Federal Suitability Based on Factor F5

According to factor F5, the likelihood of success of a federation can be assessed by examining the extent to which the act of federation has taken place:

- *voluntarily – absent of imposition from an outside power,*
- *carefully,*
- *without haste,*
- *mindful of the ingredients of success of other federations but at the same time "indigenously in ways that suit" the particular federating parties involved,*
- *under the authority of a well tailored Constitution and strong leadership, and*
- *with the consent, support, understanding and especially the will of the population at large and all significant interest groups.*

The above criteria are somewhat daunting and idealistic. No act of federation has taken place perfectly in terms of these preferred circumstances, and the ordinal ranking on the basis of factor F5 will largely be based upon a comparative consideration of the extent to which these various elements did *not* accompany the establishment of the seven federations under examination.

Notwithstanding varying degrees of local input, there can be no escaping the fact that federation was substantially imposed upon Canada, Australia and India by their British colonial masters and the British governments of the day – especially in relation to the specific details of federation and the conditions under which it was permitted in each case. The imposition was even more forceful, however, notwithstanding its quasi-federal traditions, in the case of Germany. As Taylor (1993, p. 171) observes:

After the Second World War both Britain and France insisted that the constitution for West Germany should be federal because this was thought to produce a weaker state that would be less of a threat in the future. This seems to be the centralization-despotism link hypothesis again.

The powers which imposed their wills upon the federation processes of Canada, Australia, India, and especially Germany, reduced the leeway for indigenous input and the voluntary exercise of free will in relation to the respective federalizing processes. In contrast, the federations of the United States, Switzerland and Belgium have taken place voluntarily, without haste and with much greater local input in the absence of the impositions experienced by the other four federations. The following rank ordering reflects these considerations thus far:

F5 (USA ~ SWI ~ BEL > AUS ~ CAN ~ IND > GER) ...[F5.1]

Regarding the influence of the original United States federal model, Wheare remarks that:

since the establishment of the United States, communities have had something to imitate. They can see a model of what they would like to do. This force of imitation can have great influence in producing the desire to form a federal union. There is no doubt that it influenced Switzerland, Canada and Australia. They did not imitate the form of American government blindly, but they were influenced by it and led by its example to desire the federal form of union.

As the original modern federation, the United States had the benefit of being able to invent a form of government in a somewhat ideal creative climate, substantially absent of the inhibitions of convention and biasing influences. The federations that followed, on the other hand, had the benefit of the opportunity to observe the workings of the American model; and the later the act of federation, the greater has been the number and diversity of models available for observation. Given the task of assessing on the basis of factor F5 here, it is not clear whether the advantage of originality the United States uniquely holds is more or less significant than the advantage subsequent federations had by virtue of their opportunity to view at least the American model in action.

It is recommended here that, as the original modern federation, the United States should indeed be assigned top ranking in terms of factor F5. Each federation has had varying levels of indigenous input, but the quality of input from people like Alexander Hamilton, James Madison and John Jay – the authors of the 85 famous newspaper essays known as *The Federalist Papers* (1787-8) – does not appear to have been matched in the period leading up to any of the subsequent acts of federation. Furthermore, the United States federated some 60 years prior to the next modern federation, Switzerland, and has hence had this additional timeframe to modify its federal arrangements to suit albeit ever-changing local needs.

O'Neill (1998, p. 241) observes that following the establishment of linguistic boundaries in Belgium in 1962, "French, German and Flemish cultures created a federalist state through a step-by-step legislative process that began in 1970 and was completed in 1993." So Belgian federation has certainly taken place in an impressively gradual, deliberate fashion, over more than two decades. The federal suitability of Belgium shall not, however, be assessed as highly as Switzerland's on account of factor F5. The Swiss federal tradition began well before American federation and was certainly influential by the thirteenth century. Elazar (1991, p. 252) observes that:

The first Swiss confederation, "the Everlasting Alliance" of August 1291, was composed of the forest cantons of Uri, Schwyz and Unterwalden, which came together to protect their boundaries from the aggrandizement of powerful neighbours.

Referring to the 1848 Constitution which remains the basis of Swiss government today, Elazar (1991, p. 252) continues:

The presently stable Swiss confederation was born out of centuries of political, linguistic, religious, and cultural diversity and conflict. ... The framers of this constitution were faced with the usual problems of constitution-making, plus severe religious and, to a lesser degree, linguistic conflict, limited natural resources, and a historical reliance upon the canton

as the principle unit of government. It was to this difficult situation that the federal system of government was applied.

The longevity of the Swiss federal arrangements in the face of such challenging circumstances pays testimony to the ingenuity of the framers of the Swiss constitution. However, by virtue of the threats and conflicts which so greatly influenced their act of federation, the Swiss were clearly under somewhat more constraint and duress in their constitutional design than the Americans were. Just how disadvantageous this climate of threat and conflict was – if disadvantageous at all – is far from clear, but for present purposes, it is recommended that Switzerland rank below the United States but above Belgium in terms of its federal suitability on the basis of factor F5; hence the following ordinal relationship:

F5 (USA > SWI > BEL) ...[F5.2]

So far as the relative rankings of Canada, Australia and India are concerned, Australia shall be assigned the highest rank on account of its advantage in being able to compare and contrast among the three federal models in operation (those of the United States, Switzerland and Canada) at the time of its federation. India shall be assigned the lowest ranking in view of it being somewhat more subservient in its relationship with the British government than Canada or Australia were. And in addition, those in charge of the federalizing process in India were barely able to communicate any details at all of the impending federation process to even a fraction of the vast, relatively poorly educated, population, let alone derive and act on input from the population at large. So the Indian federation was especially dominated by British input, and indigenous input was relatively more elitist than was contributed in Canada and Australia. The following ordinal ranking as between Australia, Canada and India hence follows:

F5 (AUS > CAN > IND) ...[F5.3]

Incorporating the orderings of expressions [F5.2] and [F5.3] into [F5.1] hence gives the final federal suitability ranking for factor F5, as follows:

Table 4-13 Suitability Ranking Based on Factor F5

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	USA	SWI	BEL	AUS	CAN	IND	GER
Ordinal Rank	1	2	3	4	5	6	7

4.6 Relative Federal Suitability Based on Factor F6

According to factor F6, the likelihood of success of a federation can be assessed by examining the extent to which the political culture, population at large, elites and holders of political power at all levels are:

- *respectful, or at least accepting, of the federal constitutional and institutional arrangements and relationships, and committed to make them work,*
- *strongly predisposed toward democracy, power sharing, the involvement of large numbers of people in the governing process, political self-restraint, and cooperation,*
- *respectful of the rule of law, and*
- *strongly opposed to, and able to avoid, dictatorship and the use of force and coercion to maintain domestic order.*

From the outset it should be stressed that by global standards, all seven federations under present comparison been generally successful on the basis of this factor, which shall be assessed under the following three sub-headings in turn:

- political and federal culture
- democracy and power sharing
- other related criteria
- final rankings on the basis of factor F6

4.6.1 Political and Federal Culture

Elazar (1993, p.193) remarks that it is now generally accepted "that the most successful federal systems are those with the most supportive political cultures", and specifically, referring to earlier works by Barber (1974) and de Rougemont (1965), that "Switzerland may have the most federal culture of all." Particular features of the Swiss system of government which reflect this deep federal culture are emphasised by Parri (1989, p. 206) as follows:

the role of the central state (*Bund*) in Switzerland is a minor one ... A fragmented structure of powerful functional interest organisations, 26 cantons and 3021 communes, a multi-party system and a circumscribed and weak *Bund* apparatus, make Switzerland the paradigm of the centreless polity.

Elazar (1987, p. 190) considers that "relatively few political cultures have proved suitable environments for federal forms of government", however notwithstanding the exceptional case of Switzerland, he suggests that:

- Anglo-American civil societies have adopted [federal systems] most successfully (1987 p. 190);
- the Hispanic tradition has failed to combine federalism and stability, and the Germanic has tended toward authoritarian centralization (1987, p. 191);
- Overall, Asia has proved to be more hospitable to federalism than Africa, apparently for political-cultural reasons [though] neither continent is known for fostering the liberality that is a prerequisite for federalism to flourish (1987, pp. 247-8).

Based on the general consensus on Switzerland, Elazar's assessments as above, and work carried out by Taghavi-Dinani (1982, pp. 65-69), the following federal suitability ranking appears plausible:

F6 (SWI > AUS ~ USA > CAN > BEL ~ GER > IND) ...[F6.1]

Harman (1992, p. 349) argues that in the United States, Canada and Australia, "there is a reasonably strong popular commitment to federal principles and arrangements", which is consistent with the above ordinal rankings.

4.6.2 Democracy and Power Sharing

Federalism's essential dependence on democracy is articulated by Elazar (1995, p. 477) in the following terms:

Federal systems are strongly predisposed toward democracy. Some would even argue that to be truly federal a system must be democratic, since it must involve public and constitutional choice in every arena.

Vanhanen (1997, pp. 34-35) has attempted to measure democracy in terms of the following two factors, the first of which is very similar to an 'opportunity for political opposition' index devised earlier by Dahl (1971):

- Competition - defined as "the smaller parties' share of the votes cast in parliamentary or presidential elections, or both"; and
- Participation: the percentage of the total population who voted in the election concerned.

Vanhanen (1997, pp. 86-89) assigns equal weighting to these two factors in the absence of reason to do otherwise, and derives overall composite measures of democracy which suggest the following ranking of federal suitability:

F6 (BEL > GER > AUS > CAN > SWI > USA > IND) ...[F6.2]

Studies of electoral participation carried out by Roberts and Hogwood (1997, p. 71) and comments made by Watts (1994, pp. 21-22) support the above rank ordering, notwithstanding the fact that voting is compulsory in Belgium and Australia but not

the other five countries considered (Roberts and Hogwood, 1997, p. 71; Watts, 1994, p. 22).

Vanhanen (1997 p. 106) suggests that "the exceptionally low level of electoral participation in the United States can be explained by its plurality systems in elections, which excludes many minority groups from electoral politics." Work by Jackman and Miller (1995) suggests that the low voter turnout in Switzerland and the United States can be explained, and partially offset, by the high election frequency in these countries.

The years in which women were awarded voting rights in the six First World federations under analysis are as shown in Table 4-14 below (Lane, McKay and Newton, 1991, p. 111):

Table 4-14 Years Women were Awarded Voting Rights

Country	Year Women Received Voting Rights
AUS	1902
CAN	1918
GER	1919
USA	1920
BEL	1948
SWI	1971

If federal suitability (on grounds of both democracy and power sharing) rankings were assessed on the basis of how early countries gave their women the vote, the rank ordering would thus be as follows:

$$F6 (AUS > CAN > GER > USA > BEL > SWI) \quad \dots[F6.3]$$

In spite of the low rankings assigned to Switzerland in expressions [F6.2] and [F6.3] above, Vanhanen (1997 p. 107) considers that "because of the extensive use of referendums in Switzerland, it certainly is one of the most democratic countries in the world." Studies by Lijphart (1984, pp. 23-32; 1990, pp. 71-82) which emphasise consensual features of Swiss government and politics provide additional

support for the view that Switzerland's ranking should be considerably higher than is indicated in expressions [F6.2] and [F6.3].

The recent comparative study by Brzinski, Lancaster and Tuschhoff (1997), the results of which were summarised in Table 2-2 (page 33), suggests the following ranking of federal suitability on the basis of consensual power sharing, which contradicts the orderings in expression [F6.2]:

$$F6 \text{ (SWI} \sim \text{GER} > \text{BEL)} \quad \dots[\text{F6.4}]$$

Lijphart (1984, p. 172-175) also assesses the extent to which smaller federal units are overrepresented in the federal parliament by employing a familiar Gini coefficient measure of inequality, which ranges from "zero when there is complete equality ... to a theoretical maximum approximating 1.00 when the most favourably represented unit [based on numbers of representatives per capita] has all the seats in the federal chambers and the others get none (1984, p. 175)." The coefficients are found to be (Lijphart, 1984, p. 174):

Table 4-15 Gini Coefficient Measuring Overrepresentation of Smaller Federal Units

Country	Gini Coefficient
USA	0.50
SWI	0.48
AUS	0.39
GER	0.36
CAN	0.31

If federal suitability is assumed to increase with this Gini coefficient (overrepresentation of smaller unit) measure, on the basis that such smaller unit overrepresentation reflects a significant commitment to power sharing, the following ranking emerges on the basis of Lijphart's work (1984, p. 174):

$$F6 \text{ (USA} > \text{SWI} > \text{AUS} > \text{GER} > \text{CAN)} \quad \dots[\text{F6.5}]$$

4.6.3 Other Related Criteria

A number of researchers (for example Humana, 1983; Gastil, 1987; Lane, McKay and Newton, pp. (113-114) have attempted to measure the human rights performance of countries, but such results have varied considerably, depending on the assumptions underlying the measurement processes used. The measures assigned to Switzerland, for example, are especially sensitive to whether or not its astonishing delay in awarding women equal voting rights is factored in or not. Accordingly, no such federal suitability ranking shall be made on the basis of human rights.

Work collated by Lane, McKay and Newton (1991, p. 44) suggests that of the six First World federations under consideration, Australia experienced the most industrial disputes and Switzerland the least between 1960 to 1984, so if federal suitability is tentatively assumed, all else being equal, to be inversely related to such industrial dispute frequency figures, the following ordinal ranking would apply:

F6 (SWI > BEL ~ GER > USA > CAN > AUS) ...[F6.6]

A study by Taylor and Hudson (1972, pp. 42, 94) similarly suggests the following rankings on the basis of riots per million citizens over the period 1958-1967:

F6 (GER > IND > CAN > USA) ...[F6.7]

Given the generally accepted link between individual wealth and power, it seems to follow that societies in which citizens possess greater equality of wealth should, all else being equal, exhibit a more equal distribution of power among their citizens and superior power sharing inclinations. If, on this basis, federal suitability is tentatively assumed to increase as the gap between rich and poor decreases, then based on work by Sawyer (1976, p. 14), the following rank ordering would apply:

F6 (AUS > CAN > USA ~ GER) ...[F6.8]

Comparing Australia, the United States, Canada and India, Nathan and Balmaceda (1990, p. 71) assess that state (or equivalent) governments exercise the most centralized control over local units (or local governments) within their boundaries in Australia, and least in the United States, so if federal suitability is deemed to be inversely related to this extent of centralisation (on power sharing grounds), the following contribution to the federal suitability rankings emerges:

F6 (USA > CAN > IND > AUS) ...[F6.9]

4.6.4 Final Rankings on the Basis of Factor F6

Expression [F6.1], self evidently, should be accorded a significant weighting in the overall assessment of federal suitability based on factor F6. The low rankings of Switzerland in expressions [F6.2] and [F6.3] result from its low election turnout figures, however the arguments raised above in defence of Swiss democracy are persuasive, and Switzerland's top ranking as in expressions [F6.1] and [F6.6] (and nearly [F6.5] as well) shall be preserved as its final ranking on the basis of factor F6 here. India shall similarly be assigned the lowest rank in view of expressions [F6.1] and [F6.2]. This ranking is consistent with the Indian central government's power to veto state legislation and effectively govern as a unitary state in times of emergency, as was discussed earlier in relation to factor F1 (see page 80).

The rankings of the five federations besides Switzerland and India are somewhat uncertain. Of the nine ordinal expressions [F6.1] through [F6.9] presented in this section, expressions [F6.1], [F6.2] and [F6.4] – especially [F6.1] – are probably the most reliable indicators of federal suitability; the link between federal suitability and each of the other six expressions ([F6.3] and [F6.5] through [F6.9]) is somewhat doubtful. Accordingly, it is recommended that the rankings of expression [F6.1] be employed as the final rankings for factor F6 here, with [F6.2] and [F6.4] employed in a secondary capacity to resolve the uncertainty in [F6.1] as between Australia and the United States on the one hand, and between Belgium and Germany on the other. The ranking as between Australia and the United States can be resolved on the basis of [F6.2], however there clearly remains considerable

doubt as to the relative rankings of Belgium and Germany in view of the contradicting advice offered by expressions [F6.2] and [F6.4]. The European rankings suggested by expression [F6.2] have already raised some doubts in relation to Switzerland's anomalous low ranking, and on this basis, [F6.4] shall be employed to resolve the relative rank order as between Germany and Belgium. Notwithstanding the underlying *ceteris paribus* assumption, the assessments of secessionist tendencies as shown earlier in Tables 4-3 and 4-6 (in relation to factors F1 and F2 respectively), and the 'Inter-state Mobility and Friendliness' assessments listed in Table 4-11 (in relation to factor F4) certainly support the higher ranking of Germany decided upon here. The federal suitability rankings recommended on the basis of factor F6 are therefore as follows:

Table 4-16 Suitability Ranking Based on Factor F6

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	SWI	AUS	USA	CAN	GER	BEL	IND
Ordinal Rank	1	2	3	4	5	6	7

4.7 Relative Federal Suitability Based on Factor F7

According to factor F7, the likelihood of success of a federation can be assessed by examining the extent to which there exists a decentralized political party system.

Based on earlier work by Ranney and Kendall (1956) and Grodzins (1974, pp. 1-23), Elazar (1995, p. 481; 1987, p. 178) remarks that:

Recent studies have shown that the existence of a noncentralized [or decentralized] party system is perhaps the most important single element in the maintenance of federal noncentralization.

These research findings support the intuitive belief that, to at least some extent, federalism reinforces, and is in return reinforced by, political party structures which are decentralized along federal lines.

Based on their research of the party systems in Australia, the United States and Canada, Truman (1967, pp. 96-102) and Overacker (1952, pp. 30, 327-328) suggest that the party system in the United States is more decentralized than that of Canada, which is in turn more decentralized than that of Australia. These findings hence suggest the following federal suitability ranking:

$$F7 (USA > CAN > AUS) \quad \dots[F7.1]$$

Based on earlier work by Stokes (1967) and Kemp (1978) on national and state (or equivalent) voting patterns, Paddison (1983, pp. 113-114) observes that:

Voting in Australia is the most nationalized – indeed national influences are more apparent in Australia than in Britain (Stokes, 1967) – while in Canada regional and local effects are more significant.

Based on additional work by Stevens (1974), Paddison (1983, p. 115) suggested further that:

the salience of regional differences varies between federations, being less in Australia than in North America and more important in the Anglo-American than the European federations.

If Switzerland and Germany are provisionally assigned an equal level of political party decentralisation on the basis of his above assessment of European federal systems (which came a decade prior to Belgian federation), Paddison's work suggests the following federal suitability ranking in terms of factor F7:

$$F7 (CAN > USA > AUS > SWI \sim GER) \quad \dots[F7.2]$$

A comparative study of the party systems in the United States, Germany and Canada led Ordeshook and Shvetsova (1997, p. 35) to conclude that "the U.S. and German federations are, at least in terms of party systems, more integrated than Canada"; hence suggesting the following federal suitability rank order on the basis of factor F7 here:

$$F7 (CAN > USA \sim GER) \quad \dots[F7.3]$$

Riker and Schaps (1957) devised a so-called *index of disharmony* as a measure of "the degree to which the party in control of the central government controls the constituent governments" (Riker, 1975, p. 137). Riker considers that this index of disharmony might just as accurately be called an index of state-party independence (1975, p. 137), and furthermore (1975, p. 137), that "the structure of parties is thus a surrogate for the structure of the whole constitution", and "the index of disharmony, can also be regarded as an index of decentralization both of the party system and of the federal constitutional structure (1975, p. 139)." Referring to his earlier work with Schaps (Riker and Schaps, 1957, pp. 285-289), Riker (1975, p. 140) states that "it seems clear that a higher degree of decentralization (or disharmony) is indicated" in both Canada and Australia "than is to be found in the United States." Riker and Schaps are unable to determine which of Australia or Canada is the more decentralized (or disharmonious), and so for present purposes, Riker's work suggests the following federal suitability rank ordering:

$$F7 (CAN \sim AUS > USA) \quad \dots[F7.4]$$

Referring also to "the southern-based Telugu Desam and AIADMK" parties in India, Derbyshire and Derbyshire (1996, p. 100) observe that:

In Belgium, each of the four principal parties, Christian Democrat, Socialist, Liberal, and Green, is currently divided into autonomous, and often antagonistic, Flemish and French wings.

This observation by Derbyshire and Derbyshire suggests that regional cleavage in party systems is more pronounced in Belgium, and to a lesser extent India, than in the other five federations considered, and on this basis, the following rank order shall be tentatively assumed:

F7 (BEL > IND > other five federations) ...[F7.5]

Finally, Studies by Parri (1989; pp. 206-207) and Brzinski, Lancaster and Tuschhoff (1997) suggest that political parties are much more substantially based at the canton level in Switzerland than at the länder level in Germany, hence implying the following rank order:

F7 (SWI > GER) ...[F7.6]

Expressions [F7.2], [F7.3], [F7.5] and [F7.6], in combination, suggest the following ordinal ranking of federal suitability based on party decentralisation:

F7 (BEL > IND > CAN > USA > AUS > SWI > GER) ...[F7.7]

Expressions [F7.1] and [F7.4] both partially contradict [F7.7] and the other four ordinal expressions used in the construction of [F7.7]. Expressions [F7.1], [F7.2], [F7.3] and [F7.4] all compare Canada and the United States, but [F7.1] is the only one which suggests that the United States has a more decentralized party system than Canada. Given also that [F7.1] is based on much older research than that which [F7.2], [F7.3] and [F7.4] have been based on, [F7.7] shall be left unmodified so far as the order of the United States and Canada is concerned, in spite of [F7.1]. Similarly, whereas [F7.1], [F7.2] and [F7.4] all compare the United States and Australia, [F7.4] based on the work of Riker and Schaps (1957) is the only expression suggesting that Australia's party system is more decentralized than that of the United States. Riker's claim that the index of disharmony he and Schaps employed provides an accurate measure of party decentralisation is somewhat doubtful, and Riker and Schaps themselves interpret that "the extraordinary indices

for Canada and Australia suggest that these two federalisms are plagued with much more federal conflict than is the United States (1957, p. 286).

Clearly then, Riker and Schaps did not believe that party decentralisation enhanced federal arrangements, and on this basis, their work is at odds with the assumptions underlying the employment of factor F7 as a federal suitability factor here.

Accordingly, expression [F7.4] shall be ignored for present purposes and the rank ordering of [F7.7] shall be recommended as the final ordering of federal suitability on the basis of factor F7, as follows:

Table 4-17 Suitability Ranking Based on Factor F7

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	BEL	IND	CAN	USA	AUS	SWI	GER
Ordinal Rank	1	2	3	4	5	6	7

The reliability of the rank ordering process described above in relation to factor F7 suffers somewhat due to the lack of authoritative studies linking European federations on the one hand, and Australia, Canada and the United States on the other, let alone India. In addition, it is by no means clear whether the somewhat extreme decentralisation of the Belgian party system – coinciding so exactly with regional and linguistic cleavages as it does – represents an extent of decentralisation beyond the optimum so far as federal stability is concerned. The ordinal ranking for factor F7 here should be interpreted with due acknowledgement of these concerns and associated limitations.

4.8 Relative Federal Suitability Based on Factor F8

According to factor F8, the likelihood of success of a federation can be assessed by examining the extent to which there exists sufficient national wealth and human resources to:

- *absorb the added costs of duplication (both vertical and horizontal) inherent in federations, and*
- *hence or otherwise, provide, in both the general (central) government and the constituent (provincial) polities, substantially complete, competent and separate legislative and administrative institutions which are able to function in their areas of authority and cooperate freely with counterpart agencies (among the general government and all the constituent governments).*

The gravity of this factor is given due emphasis by Wheare (1963, p. 51), who remarks that:

At the very outset ... in considering whether federal government is appropriate, the question of adequate economic resources arises. If a general government is to be established and supported – and that is the first assumption of any union, federal or non-federal – will there be sufficient resources also to support independent regional governments? If there are not, then no matter how much states desire a federal union and no matter whether a federal constitution is drawn up, in practice federal government will not be possible. ... federalism is expensive and it is always a question whether the independence it gives is worth the price that must be paid for it.

With the use of a "Downsian model of utility-maximising politicians facing interest group pressure", Grossman (1989, p. 592) establishes that a federal system of government "is likely to result in a public sector greater in size than a unitary system of government." Livingston (1996, p. 79) similarly argues that "very few argue that federal government is of great value per se; it is no doubt cumbersome,

duplicatory, and expensive in both money and personnel." Watts (1994, p. 22) acknowledges that federations undoubtedly "involve inherent complexities and inefficiencies" and goes on to observe that:

Within some federations there has in recent years been considerable criticism of the overlaps, duplications, conservatism and rigidities that they have experienced. In Canada, for instance, critics both in Quebec and the rest of Canada have raised questions about these apparent sources of inefficiency. In Australia and elsewhere similar questions of the value of federal structures have also been raised.

A formal assessment on the basis of this factor might properly involve an examination of education standards and spending levels, although whereas educational inputs (in terms of government expenditure) would be relatively accessible, more significant measures of educational outcomes would be more difficult to obtain.

For present purposes, it shall be assumed, tentatively, that this factor F8 can be assessed on the basis of two measures: firstly, *per capita Gross Domestic Product* (GDP) shall be employed as the conventional measure of national wealth; secondly, *literacy levels* shall be employed as a measure of human resource availability. Table 4-18 below provides two recent sets of estimates of (unadjusted) per capita GDP of the seven federations, along with a set of purchasing power parity (PPP) adjusted GDP values and literacy level approximations. Adjusting for purchasing power parity provides a measure of national wealth in terms of international spending power. Countries are presented in descending order of unadjusted per capita GDP.

Table 4-18 GDP and Literacy Levels

Country	Per Capita GDP (US 1994) ¹	Per capita GDP (\$US 1992) ²	Per Capita GDP (\$US PPP adjusted) ³	Literacy (%) ²
SWI	36,096	36,231	22,080	99
USA	25,514	23,500	26,640	98
GER	25,179	22,500	16,580	99
BEL	21,765	20,000	18,040	100
CAN	18,635	20,320	22,760	96
AUS	18,561	17,065	20,720	99
IND	309	290	1,360	50

Sources: 1. Marsden (1998, pp. 805, 817, 836, 883, 899, 1029, 1054)
 2. Derbyshire and Derbyshire (1996, pp. 138, 452, 456, 472, 486, 516, 526)
 3. Famighetti (1996, pp. 134, 773)

It appears sensible to assign the federal suitability rankings in terms of factor F8 here purely on the basis unadjusted GDP values, as in the second and third columns of Table 4-18. Purchasing power parity adjusted GDP figures might provide a sound measure of wealth in the international marketplace, but for present purposes, domestic spending power, as measured in terms of the unadjusted GDP figures, provides a superior indicator of a country's capacity to carry the additional loads imposed by federalism. Furthermore, literacy levels, which are only approximate at any rate, do not discriminate very well among the six First World federations; their main value is to emphasise how low India's literacy level is – as with its wealth – relative to the other six federations. The unadjusted GDP figures clearly appear the most suitable indicators upon which federal suitability assessments can be made in terms of factor F8.

No consideration of this factor would be complete, however, without drawing attention to the remarkable success of the Indian federation – the very success which led to its inclusion among the seven federation compared herein – in view of the general trend of failure among third world federations. Elazar (1987, p. 243) contrasts the success of federal India with the failures of other Asian and African federations (see Table 1-2 on page 17) in the following terms:

Contrast India with any of the failed federations. Certainly in material resources India is in no better position than they and, indeed, is poorer than many of them. Nor is India's manpower ratio much superior. India's larger

number of university graduates results not in greater efficiency but in larger bureaucracies. Yet federalism has been maintained in India in a workable condition because India has the orientation required for mobilizing human resources to maintain diffused governmental institutions, power sharing, and the like.

The low ranking of Australia in terms of factor F8 here, based thus far on unadjusted GDP figures alone, is reinforced by some additional considerations. Firstly, albeit like Canada (and to a lesser extent the United States and India), Australia is sparsely populated across a vast land mass, and as such, is especially burdened by communications and transport costs. Secondly, Australia is much further from its principal export markets and importers than the other six federations considered; this too imposes transport related cost burdens. And thirdly, Australia's domestic consumer market is not nearly as large as the consumer markets facilitated by the European and North American common market arrangements, which Belgium, Germany, Switzerland, Canada and the United States all benefit from to varying degrees.

Certainly Canada, Switzerland and Belgium are subject to duplicated costs owing to their multilingualism, and additional research would need to be carried out to determine the relative gravity of such cost burdens as compared with the isolation related cost burdens which particularly affect Australia. Notwithstanding such uncertainty, it is considered unlikely that the cost burdens associated with multilingualism would be sufficient to justify a different ranking of national wealth to that which appears in Table 4-18 above. Accordingly, the following suitability rankings, taken directly from the unadjusted GDP figures in the second and third columns of Table 4-18, are offered on the basis of factor F8:

Table 4-19 Suitability Ranking Based on Factor F8

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	SWI	USA	CAN	GER	BEL	AUS	IND
Ordinal Rank	1	2	3	4	5	6	7

4.9 Relative Federal Suitability Based on Factor F9

According to factor F9, the likelihood of success of a federation can be assessed by examining the extent to which the constituent polities are balanced and equal in size, population, institutional development, wealth and resources generally, so as to prevent any single unit from predominating over the others to an extent which jeopardises or appears to jeopardise the integrity or powers of the others.

Factor F9 shall be assessed in terms of the following three factors which contribute to the overall extent of imbalance experienced across the units (states and territories or equivalent) in federations, the first two of which at least are self-evidently of central relevance:

- population and area imbalances
- wealth imbalances
- fiscal imbalances

The federal suitability assessments on the basis of the above three contributing factors, and the final overall assessment on the basis of factor F9, are now documented in turn.

4.9.1 Population and Area Imbalances

Watts (1966, pp. 145-162; 1977, pp. 46-51; 1996, pp. 57-60), May (1970) and Elazar (1993, p. 193) have examined the issue of imbalance among federal units, and most of their studies have focused upon the extent to which federal imbalance can arise when one or two units dominate on grounds of superior wealth and population, as has been observed in Ontario, and to a lesser extent Quebec, in Canada, and in New South Wales, and to a lesser extent Victoria, in Australia (Paddison, 1983, p. 121).

Various measures can be employed to numerically describe the extent of imbalance present. From a statistical viewpoint, the normalised standard deviation (defined as the standard deviation divided by the mean) of federal unit populations provides a sound representative measure of variance, or imbalance, among such units. This measure, along with eight other population measures and two land area measures of imbalance, are presented in Table 4-20 on the following page, along with the ordinal rankings associated with each measure (1 indicating the least imbalanced federation, 7 the most imbalanced), and *geometric means* of (1) all 11 measures employed, and (2) the first nine population measures only (excluding the two land area measures). Geometric mean values are employed as overall measures because they ensure that factors are assigned equal weighting, which is appropriate in the absence of any clear indication that a contrary weighting should be applied.

Table 4-20 Population and Area Imbalance Statistics

Measure	CAN¹	IND²	USA³	SWI⁴	AUS⁵	GER⁶	BEL⁷
Normalised Standard Deviation of Federal Unit Populations	1.387	1.292	1.098	1.040	0.961	0.920	0.730
Rank based on above	7	6	5	4	3	2	1
Ratio of Populations: Most Populous Unit to Least Populous Unit	349.5	2691	65.79	79.43	30.95	26.25	6.205
Rank based on above	6	7	4	5	3	2	1
Ratio of Populations: Most Populous Unit to Average Unit	4.473	5.281	6.024	4.327	2.701	3.497	1.740
Rank based on above	5	6	7	4	2	3	1
Ratio of Populations: Average Unit to Least Populous Unit	78.13	509.5	10.92	18.35	11.46	7.506	3.566
Rank based on above	6	7	3	5	4	2	1
Ratio of Populations: Most populous Unit as % of Country Total	37.28	16.10	11.94	16.64	33.75	21.89	58.00
Rank based on above	6	2	1	3	5	4	7
Ratio of Populations: Two Most Populous States Combined as % of Country Total	62.03	26.05	19.01	29.98	58.19	36.55	90.65
Rank based on above	6	2	1	3	5	4	7
Ratio of Populations: Three Most Populous States Combined as % of Country total	74.94	35.20	25.87	38.56	77.02	49.17	100.0
Rank based on above	5	2	1	3	6	4	7
Ratio of Populations: Average of Two Most Populous Units to Average Unit	3.722	4.272	4.797	3.898	2.328	2.919	1.360
Rank based on above	4	6	7	5	2	3	1
Ratio of Populations: Average of Three Most Populous Units to Average Unit	2.997	3.847	4.351	3.342	2.054	2.619	1.000
Rank based on above	4	6	7	5	2	3	1
Normalised Standard Deviation of Federal unit Land Areas	1.122	1.213	1.222	1.177	0.920	0.837	0.868
Rank based on above	4	6	7	5	3	1	2
Ratio of Land Areas: Largest to Smallest	605.4	13,858	487.5	192.0	1,053	174.6	104.0
Geometric Mean of all 11 Measures	20.15	32.17	11.20	11.27	11.85	8.903	6.945
Rank based on above	6	7	3	4	5	2	1
Geometric Mean of the 9 Population Measures Only (Land Area Measures Excluded)	19.03	23.60	9.417	10.57	9.558	8.318	6.478
Rank based on above	6	7	3	5	4	2	1

[Area and population data used in calculating the above measures are estimates (populations ranging from 1991 to 1997) obtained from: Turner (1998), Marsden (1998), Famighetti (1996) and Elazar (1991)]

- Notes:
1. Canada is assumed to contain 12 units (10 provinces and 2 Federal Territories)
 2. India is assumed to contain 32 units (25 states and 7 Union Territories)
 3. the United States is assumed to contain 50 units (the Federal District of Columbia excluded)
 4. Switzerland is assumed to contain 26 units (20 Full Cantons and 6 Half Cantons)
 5. Australia is assumed to contain 8 units (6 States and 2 Federal Territories)
 6. Germany contains 16 Länder
 7. Belgium contains three Regions

The ordinal rankings associated with the two geometric mean measures at the foot of Table 4-20 are the same except as between Australia and Switzerland. It is recommended that the ranking based on the geometric mean of all 11 factors be used here, which gives the following federal suitability ordinal ranking:

F9 (BEL > GER > USA > SWI > AUS > CAN > IND) ...[F9.1]

That a greater level of imbalance should be attributed to Australia than Switzerland is supported by the following observation made by Paddison (1983, p. 121), who considered the same federations under comparison here except for Belgium and India:

In Australia and Canada – in both of which disparities are more apparent because of the relatively small number of states/provinces – survey evidence has demonstrated that New South Wales and Victoria, Ontario and Quebec are commonly identified as representing the core units of the federation (Schwartz, 1974; Holmes and Sharman, 1977). This is most marked in Canada where repeated public opinion surveys have shown that the two central provinces are popularly considered to have more power than the other provinces. The economic structure of the other industrial federations is less clearly associated with a single dominant highly industrialized, metropolitan core.

The relative balance among American states reflected in expression [F9.1] is similarly supported by Elazar (1993, p. 193) as follows:

the United States with states as large as California and New York on one hand, and as small as Rhode Island on the other, with every variant in between, has possibly even benefited from the dispersed inequalities as stabilizing elements when geography and political culture are factored in.

Paddison (1983, p. 118) provides additional rationale in support of the rankings established, at least as between the United States and Canada, as follows:

Several factors modify the influence of size as it impinges on the power relationships within a federation. Inequalities will tend to be more pronounced (or 'visible') in those federal unions made up of a smaller number of units. The division of the United States into 50 states has meant that national policies have not been so self-evidently dictated by one or a small number of larger states, in contrast to the position in Canada ...

4.9.2 Wealth Imbalances

Based on research conducted by Paddison (1983, p. 116) and additional remarks and data obtained in relation to Switzerland (Levy, 1989, p. 109), Canada (Brown and Leslie, 1994, p. 97), Germany (Derbyshire and Derbyshire, 1996, p. 493), India (Centre for Monitoring Indian Economy (1995), and Belgium (The Economist, 1993, p. 51), the following ratios between the wealthiest and poorest units (states or equivalent), in terms of per capita Gross State (or equivalent) Products have been obtained:

Table 4-21 Ratios of Poorest to Wealthiest States (or Equivalent)

Country	Ratio: Poorest as % of Wealthiest
AUS	84%
BEL	~ 75%
USA	less than 60%
CAN	48%
SWI	~ 40%
GER	~ 35%
IND	30%

The following statistics hence suggest the following federal suitability ordinal rankings based on wealth imbalances among the units of the respective federations:

$$F9 (AUS > BEL > USA > CAN > SWI > GER > IND) \quad \dots[F9.2]$$

4.9.3 Fiscal Imbalances

Two measures of fiscal imbalance shall be considered here: firstly, the extent of centralisation of revenue collection, and secondly, what is referred to a vertical fiscal imbalance. The nature and effect of such imbalances have been studied by May (1969), Davies (1976), Lijphart (1984) and Rose (1985).

Australia is consistently found to have the most centralized revenue collection arrangements among modern federations (Rose, 1985, p. 27) except for Belgium. The reforms which led to Belgian federation in 1993 have not yet provided the regions with any significant level of own source revenue, and for the time being at least, Belgium remains fiscally unitary (Fitzmaurice, 1996, p. 158; Todman, 1997, pp. 171, 185). Taking Belgium's continuing unitary fiscal arrangements into account, studies by Davies (1976, p. 35) and Gray and White (1989, p. 281) establish the following ordinal ranking on the basis of revenue centralisation:

F9 (SWI > IND > CAN > GER > USA > AUS > BEL) ...[F9.3]

Whilst degree of revenue centralisation is certainly some measure of the federal balance within a federation, another measure known as vertical fiscal imbalance is generally considered a more significant measure of federal imbalance (Hicks, 1978, p. 172; see quote on page 56 of Section 3.10). Vertical fiscal imbalance is a measure of the difference between the expenditure requirements and the own source revenues of a level of government (central or sub-national), whether as a subtractive difference or as a ratio. As with centralisation of revenue, in comparisons made between Australia, Canada, Germany, Switzerland, and the United States, Australia has consistently emerged as having by far the greatest extent of vertical fiscal imbalance. And the 1997 High Court decision in the *Ha* and *Hammond* cases, which banned Australian states from levying business licence fees on alcohol, tobacco and petrol, has exacerbated the extent of revenue centralisation and vertical fiscal imbalance in Australia (Australian Bureau of Statistics, 1998, p. 11). Taking the outcome of this High Court decision into account, along with Belgium's continuing unitary fiscal arrangements, work carried

out by Groenewegen (1990, p. 92), Watts (1996, pp. 42-43), and the Victorian Government Federal-State Relations Committee (1998, p. 105), clearly suggests the following ordinal ranking of federal suitability on the basis of vertical fiscal imbalance:

$$F9 (USA > GER > CAN > SWI > AUS \sim IND > BEL) \quad \dots[F9.4]$$

4.9.4 Final Rankings on the Basis of Factor F9

The imbalances of size (expressed principally in terms of population) and wealth among federating units, which expressions [F9.1] and [F9.2] are based upon, clearly exert a significant influence upon federal arrangements. The extent to which federations are affected by the fiscal imbalances associated with expressions [F9.3] and [F9.4], however, is somewhat more debatable and less clear.

Accordingly, factor F6 here shall be assessed primarily on the basis of expressions [F9.1] and [F9.2], with the remaining expressions [F9.3] and [F9.4] employed to separate borderline cases.

Taking the 'average' of the ordinal rankings of expressions [F9.1] and [F9.2] enables a composite ranking to be established as follows:

highest ranking: BEL (rankings of 1 and 2 give an average rank of 1.5)
next: USA ~ AUS (average ranking = 3)
next: GER (rankings of 2 and 6 give an average rank of 4)
next: SWI (rankings of 4 and 5 give an average rank of 4.5)
next: CAN (rankings of 6 and 4 give an average rank of 5)
next: IND (rankings of 7 and 7 give an average rank of 7)

The above composite ranking can thus be expressed as follows:

$$F9 (BEL > USA \sim AUS > GER > SWI > CAN > IND) \quad \dots[F9.5]$$

Since the United States ranks more highly than Australia in expressions [F9.3] and [F9.4] alike, the following refinement of [F9.5] shall be recommended as the final ordinal ranking recommended on the basis of factor F9:

Table 4-22 Suitability Ranking Based on Factor F9

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	BEL	USA	AUS	GER	SWI	CAN	IND
Ordinal Rank	1	2	3	4	5	6	7

4.10 Relative Federal Suitability Based on Factor F10

According to factor F10, the likelihood of success of a federation can be assessed by examining the extent to which there exists a sufficient number of federating units (Sawer believes at least five).

Several studies (Watts, 1966, pp. 145-162 and 1977, pp. 46, 50-51; Duchacek, 1988) have identified that (Watts, 1994, p. 12):

Federal systems and federations composed of only two or three constituent units have consistently proved to be unstable, as the examples of Pakistan (before the secession of Bangladesh), Czechoslovakia, Nigeria in the 1960s, Rhodesia and Nyasaland, and the East African Common Services Organization illustrate.

It is plausible then that, all else being equal, federal stability increases simply with the number of constituent units making up federations. But it is also plausible that federal stability peaks when some intermediate number of federating units is reached, so that federal stability increases with the number of federating units, but only up until a certain peak stability point, beyond which, stability decreases with further increases in the number of federating units. More research would need to be done to test this tentative postulation, and definitive support would be difficult to establish in view of the statistically small number of cases studies available for

analysis, and the inherent difficulty in distilling the element of federal suitability that depends only on the number of federating units independently of 'all else' which in general is *not* equal.

In the absence of research findings offering definite guidance, it shall be tentatively assumed for present purposes that stability does simply increase with the number of constituent units. The relative federal suitability of the seven countries then follows directly from the number of federating units they contain. Table 4-23 below lists the numbers of federal units which make up each federation, firstly when states (or equivalent) only are considered, and secondly when states as well as federal territories (or equivalent) are considered. Ordinal rankings are provided for both cases.

Table 4-23 Numbers of Federating Units

Country	Number of States (or equivalent) only	Rank Based on the Number of States (or equivalent) Only	Number of States and Territories (or equivalent)	Rank Based on the Number of States and Territories (or equivalent)
Australia	6	6	8	6
United States	50	1	51	1
Switzerland	26	2	26	3
Canada	10	5	12 or 13 ¹	5
India	25	3	32	2
Germany	16	4	16	4
Belgium	3	7	3	7

Note: 1. The establishment of the Arctic Territory of Nunavut in April 1999 (Crary, 1999, p. 11), has increased the number of federal territories in Canada from two to three, however the data analysis employed elsewhere in this report is based on there being just two federal territories in Canada.

Table 4-23 shows that, based on the number of states (or equivalent) only, the rank ordering would be:

F10 (USA > SWI > IND > GER > CAN > AUS > BEL) ...[F10.1]

Similarly, the following rank order emerges based on the number of states and territories (or equivalent) together:

F10 (USA > IND > SWI > GER > CAN > AUS > BEL) ...[F10.2]

It is seen that the only discrepancy between the rankings of expressions [F10.1] and [F10.2] is as between India and Switzerland. Given that Switzerland has just the one additional unit if territories are excluded, whereas India has six more constituent units if territories are included, it would seem appropriate to conclude that India has the greater number of units. Furthermore, the 26 units assigned to Switzerland includes 23 cantons, of which three are divided into half cantons, so there is a case for assigning 23 as the number of units in Switzerland. All these factors favour the interpretation that India should be regarded as having a larger number of units than Switzerland, as in [F10.2] above. Accordingly, the following suitability ranking of the seven federations is recommended, based on factor F10:

Table 4-24 Suitability Ranking Based on Factor F10

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	USA	IND	SWI	GER	CAN	AUS	BEL
Ordinal Rank	1	2	3	4	5	6	7

4.11 Relative Federal Suitability Based on Factor F11

According to factor F11, the likelihood of success of a federation can be assessed by examining the extent to which there exists geographic factors which necessitate, favour or tend to reinforce the given federal structure.

Often cited is Robinson's claim that "a federation is the most geographically expressive of all political systems." (Robinson, 1961, p. 2). And on the basis of their work, Walter & Huebsch (1978, p. 62) claim that:

Although federal states may be examined from the social, economic, or political perspective in addition to the geographical, it is possible to classify eighty-four percent of all federal states on the basis of spatial properties alone. Obviously, the political geography of federal states is the single most important dimension!

Derbyshire and Derbyshire (1996, p. 15) note that:

As with most other aspects of political systems, history, geography, and culture are the strongest factors behind the choice of a federal system of government. Of particular importance, not surprisingly, is country size, with seven of the eight largest nations in the world, and five of the seven most populous, having federal structures.

And Livingston (1996, p. 79) remarks that "in modern times no country of continental dimensions has been governed by means other than federalism or dictatorship."

The manner in which geographic factors associated with vast frontier lands reinforced the social and economic attractions of federal union in Australia, the United States and Canada, is eloquently captured by Franck (1968, p. 186), who observes:

History provided the classical federations also with a positive charisma: the vision of almost limitless conquests and wealth. ... p. 187 ... for the pioneers of Australia, Canada, and the United States, there was the great frontierlands to conquer, This was the center of the common vision, the common ideal, so big that it could accommodate within its infectious, exciting ethos liberals and conservatives, slaveholders and abolitionists, French and English, Catholics, Anglicans and nonconformists. The vast, vacant, lucrative frontiers not only gave a common cause to the diverse, but provided the space and riches that make diversity easier to accommodate. "Opening up the land" – financing railways, roads, bridges, and schools in sparsely settled regions – was a secondary-type goal of federation, but in practice the challenge of the land was so vast, so charismatically exciting as to transform itself quickly and smoothly into the primary goal of building a great federal union for its own sake, a tower of Babel in reverse, in which the soaring dimensions of the project made one out of many.

In Africa, as in Europe, on the other hand, a frontier is not a challenge but a barrier to a nation's expansion. In Australia, Canada, and the United States the frontier could absorb, in full, the creativity, ambition and libertarian instincts of generations of pioneers.

The reflections cited above suggest that, all else being equal, a country's relative federal suitability increases with its land area size, principally because the sense of isolation experienced within a country will be greater if its population is spread across a larger land expanse. In addition to land area, however, the extent of isolation depends also on population density, which in turn depends on population. Table 4-25 below lists the land areas of the seven federations under consideration in descending order, along with their corresponding populations, population densities, and ordinal rankings of population densities.

Table 4-25 Areas, Populations and Population Densities

Country	Area (km ²)	Population	Population density (persons per km ²)	Population Density Rank Ordering
CAN	9,970,610	28,846,761	2.89	6
USA	9,372,614	264,600,000	28.2	5
AUS	7,682,300	17,892,423	2.33	7
IND	3,287,590	935,744,000	285	2
GER	356,978	7,062,400	228	3
SWI	41,284	81,538,603	171	4
BEL	30,528	10,170,226	333	1

[Area and population data above are estimates (populations ranging from 1991 to 1997) obtained from: Turner (1998), Marsden (1998), Famighetti (1996) and Elazar (1991)]

Clearly Canada, the United States and Australia, and to a somewhat lesser extent India, stand out as giants among the seven federations, and as an initial suggestion it would seem reasonable to assign relative federal suitability rankings for factor F11 here in the order shown above. However, the population density of Canada and Australia is a decimal order of magnitude less than that of the United States, which in turn is an order of magnitude less than that of India. Clearly then, the communities of Australia and Canada experience a much greater sense of isolation than in the United States, and on this basis, Australia shall be assigned a higher federal suitability ranking than the United States according to factor F11 here.

One additional modification shall be made to the rank orderings as they appear in Table 4-25 above, relating to the sense of isolation experienced in Switzerland due to the presence of the Swiss Alps. As Dahl and Tufté (1974, p. 37) point out: (emphasis added)

Among countries with the institutions of representative democracy, federalism is more frequent when the population or area is larger; where, presumably, size impedes communication and control. And *in Switzerland, the mountainous terrain provides a kind of geographical equivalent to size.*

According to Wheare (1963, p. 40):

Geographical factors also assisted the desire to be separate. In the United States, Canada and Australia it was great distance which was most important. Distance isolated the communities and developed a regional consciousness which made them desire to keep to themselves. In Switzerland it was the barrier of mountains which divided up the country into isolated communities.

Elazar (1995, p. 480) makes the following further observations which link strategic aspects of geography to the security issues associated with factor F1 here:

Geographic necessity has played a part in promoting and maintaining union within federal systems. The Mississippi valley in the United States, the Alps in Switzerland, the island character of the Australian continent, and the mountains and jungles surrounding Brazil have all been influences promoting unity; so have the pressures for Canadian union arising from that country's situation on the border of the United States and the pressures on the German states generated by their neighbors to the east and west.

So how high up the rank ordering should Switzerland be elevated on account of the community isolation that results from the presence of the Alps? Taking into account the fact that the population densities of Switzerland, Germany and India are more or less equal, it shall be assumed, albeit tentatively, that the sense of isolation experienced in Switzerland because of the Alps justifies elevating it above Germany (which is 8.6 times larger than Switzerland in terms of land area) in the rank ordering, but not India (which is 80 times larger than Switzerland in terms of land area).

So with the ordinal rankings in Table 4-25 above reversed as between Australia and the United States on the one hand, and as between Switzerland and Germany on the other, for reasons as discussed above, the following federal suitability ranking is recommended on the basis of factor F11 here:

Table 4-26 Suitability Ranking Based on Factor F11

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Country	CAN	AUS	USA	IND	SWI	GER	BEL
Ordinal Rank	1	2	3	4	5	6	7

4.12 Overall Assessment of Relative Federal Suitability

This section brings the 11 sets of suitability rankings derived in the preceding sections together in order to establish an overall measure indicative as to the relative federal suitability of the seven countries presently under investigation.

Table 4-27 on the following page provides a consolidated summary of the ordinal rankings established on the basis of each of the 11 factors employed herein. Tallies showing how often each of the federations achieved each rank level are shown in the lower portion of Table 4-27. Table 4-28, also on the next page, provides the same rank details as Table 4-27, but this time ordered by country, rather than by rank level, which readily enables the sum total and average (or arithmetic mean) of the ordinal ranking scores to be calculated. The geometric mean of the ordinal rank

scores (defined here as the product of the 11 factor ranking scores then raised to the power of one-eleventh) is displayed below the total and average figures in Table 4-28.

Table 4-27 Summary of Federal Suitability Rankings Based on All 11 Factors

	Best Suited	2nd Best Suited	3rd Best Suited	4th Best Suited	5th Best Suited	6th Best Suited	Least Suited
Factors	rank = 1	rank = 2	rank = 3	rank = 4	rank = 5	rank = 6	rank = 7
F1	IND	AUS	SWI	GER	USA	CAN	BEL
F2	AUS	SWI	USA	GER	IND	CAN	BEL
F3	AUS	GER	USA	SWI	CAN	BEL	IND
F4	SWI	USA	GER	AUS	IND	CAN	BEL
F5	USA	SWI	BEL	AUS	CAN	IND	GER
F6	SWI	AUS	USA	CAN	GER	BEL	IND
F7	BEL	IND	CAN	USA	AUS	SWI	GER
F8	SWI	USA	CAN	GER	BEL	AUS	IND
F9	BEL	USA	AUS	GER	SWI	CAN	IND
F10	USA	IND	SWI	GER	CAN	AUS	BEL
F11	CAN	AUS	USA	IND	SWI	GER	BEL
# USA	2	3	4	1	1	0	0
# SWI	3	2	2	1	2	1	0
# AUS	2	3	1	2	1	2	0
# CAN	1	0	2	1	3	4	0
# GER	0	1	1	5	1	1	2
# IND	1	2	0	1	2	1	4
# BEL	2	0	1	0	1	2	5

Table 4-28 Summary of Federal Suitability Rankings by Country

Factor	USA	SWI	AUS	CAN	GER	IND	BEL
F1	5	3	2	6	4	1	7
F2	3	2	1	6	4	5	7
F3	3	4	1	5	2	7	6
F4	2	1	4	6	3	5	7
F5	1	2	4	5	7	6	3
F6	3	1	2	4	5	7	6
F7	4	6	5	3	7	2	1
F8	2	1	6	3	4	7	5
F9	2	5	3	6	4	7	1
F10	1	3	6	5	4	2	7
F11	3	5	2	1	6	4	7
Total (sum of 11 rank scores)	29	33	36	50	50	53	57
Average (arithmetic mean) of Rank Scores	2.636	3.000	3.273	4.545	4.545	4.818	5.182
Geometric Mean of Rank Scores	2.365	2.478	2.754	4.122	4.289	4.117	4.291

The total and average figures (which are essentially one and the same measure – the former being simply the latter multiplied by 11) at the base of Table 4-28 suggest an overall ordinal ranking of federal suitability as follows:

(USA > SWI > AUS > CAN ~ GER > IND > BEL) ...[AF.1]

It is noteworthy that the 'average average' score of 4 (the score assigned to the middle ranked federation in each of the factor assessments) constitutes a meaningful dividing line: average rank scores less than 4 indicate relatively high federal suitability, whereas average rank scores greater than 4 indicate relatively low federal suitability. On this basis, the United States, Switzerland and Australia appear to be relatively well suited to their federal situations whereas the other four federations are all relatively poorly suited to their respective arrangements.

The geometric mean figures, read in conjunction with the total and average figures, suggests a somewhat more conservative overall assessment than that indicated by expression [AF.1], along the lines of the following:

(USA > SWI > AUS > CAN ~ GER ~ IND ~ BEL) ...[AF.2]

The total, average and geometric mean figures at the base of Table 4-28, and indeed the 11 sets of factor ranking scores used in their calculation, should of course be interpreted with due acknowledgement of the very approximate nature of the entire ranking process described herein, although at least to the level of precision indicated by expression [AF.2] above, they are offered with some confidence.

Clearly some factors appeared to be more reliably measurable, and subject to less doubtful assumptions, than others. Factors F8 (based on national resource wealth), F9 (based on imbalance among federal units), F10 (based straightforwardly on the number of federal units) and F11 (based on geographic factors and in particular areal size), for example, were all able to be assessed in terms of numerical data which was clearly relevant, substantially objective, and accessible. Factors F1

(based on security threats), F2 (based on common market and other economic advantages), F4 (based on relations across state or equivalent boundaries), and F5 (relating to voluntary input into the act of federation) were also able to be assessed with a fair degree of confidence in terms of observations and considerations which are readily apparent or at least subject to general consensus.

Factors F3 (relating to homogeneity and cooperation), F6 (related to democracy and political culture) and F7 (based on the party systems) were somewhat more difficult to assess because of their inherently subjective and contentious political and cultural dimensions, and the relative paucity of obvious measurable indicators. But even with these factors, a moderate level of confidence is held on behalf of the majority of the ordinal rankings established.

The average and geometric mean values at the base of Table 4-28 are based upon an equal weighting of the scores developed for the 11 factors. The use of ordinal rankings is one source of limitation in the results here, and the use of equal weightings is another. The use of ordinal rankings masks what are in some cases very significant differences among the various federations. With factor F8 this is particularly relevant in view of India being so vastly less wealthy than the other six universally wealthy (by global standards) First World countries (see Table 4-18 on page 112). It is conceivable that India's federal suitability might stand out as well below that of the other six federations if this factor were either assigned a greater weighting in the establishment of overall rankings, or better still, if some sort of cardinal measure were employed rather than the obviously superficial ordinal measures that have actually been employed. The use of India along with the other six First World federations was always a source of potential difficulty, and accordingly, the relative suitability rankings among the six First World federations alone are probably more reliable than the rankings with India included.

Notwithstanding these limitations, however, it seems clear at least that the federal arrangements in the United States, Switzerland and Australia are all somewhat more stable and suitable than those present in the other four federations. The arrangements in Belgium, India and Canada appear to be especially precarious in

the presence of secessionist or separatist movements with considerable provincial support and a significant likelihood of success. The comparatively low relative suitability ranking of Germany seems to reflect the mismatch between the federal arrangements forced upon it following the second world war and its extremely high level of ethnic, linguistic and cultural homogeneity which are more typical of a unitary country.

The specific rank orderings implied by the composite measures at the base of Table 4-28, and expressions [AF.1] and [AF.2] above, are recommended only tentatively, however the classifications in Table 4-29 below are offered with a considerably greater level of confidence:

Table 4-29 Relatively Well Suited and Relatively Poorly Suited Federations

Countries Relatively Well Suited to their Federal Arrangements	Countries Relatively Poorly Suited to their Federal Arrangements
United States	India (separatist tendencies present)
Switzerland	Belgium (separatist tendencies present)
Australia	Canada (separatist tendencies present)
	Germany

5. CONCLUSIONS AND RECOMMENDATIONS FOR FUTURE WORK

5.1 Conclusions

The present study set out to estimate how well Australia is suited to federalism generally, and its own form of federal government in particular, relative to six other federations. On the basis of the analysis described in Chapter 4, and summarised in Section 4.12, it appears as though the United States is best suited to its federal arrangements, followed by Switzerland and then Australia. These three countries appear to be considerably better suited to their federal arrangements than Canada and Germany, which in turn appear to be somewhat better suited to their federal systems than India and Belgium. The federal systems of Belgium, Canada and India all appear especially vulnerable in the presence of strong separatist forces.

The study set out to faithfully and gainfully apply as much relevant knowledge as possible, under a disciplined methodological framework, to the assessment of federalism's suitability in Australia relative to six other federations. The study has proposed meaningful, if not precise, ordinal rankings of relative federal suitability according to 11 factors which were developed as a synthesis of similar factors contributed by 16 prominent scholars of federalism or political science. The study has utilised a wide diversity of methodological approaches, statistics and arguments in the process of estimating these federal suitability rankings. If the present study falls short of being a definitive analysis on federal suitability, it must at least have some value in being indicative of the considerations, factors and measures that need to be taken into account when assessing the suitability of federal arrangements.

5.2 Recommendations for Future Work

The assessments of federal suitability conducted herein for all 11 factors could be improved by expansion and refinement to various degrees. The present study relied to a large extent on secondary data and opinions, some of which were quite old, and could be improved through a greater use of more current primary data. An investigation of the weightings that should be assigned to various measures of federal suitability in the establishment of overall composite measures of federal suitability would also be of self evident value. The use of ordinal rankings of federal suitability in the present investigation was another inherent limitation, and a greater use of cardinal measures of federal suitability could significantly improve the precision and significance of suitability measures derived. On the other hand, however, there is probably only so much value in searching for hard data or more precise ways of measuring federal suitability on the basis of unavoidably subjective factors such as F3, F6 and F7 in the present study.

More work would need to be done to determine whether the relative measures of federal suitability estimated herein reflect suitability to federalism generally, or to the particular federal arrangements in these countries. And it is very important to recognise that the findings of the present study are neutral as regards the potential suitability of alternative forms of government in the various countries considered, and indeed all countries. The conclusion derived here – that Australia's federal system appears to serve Australia well *relative to other federations* – does not mean a different form of government – federal or otherwise – could not better serve Australia's present and future needs. It is plausible that the societal factors which enable a country to cope well under federal arrangements could, in some cases, nevertheless enable that country to cope even better under alternative (for example more unitary or confederal) arrangements. Such hypotheses are worthy of pursuit, although it can be argued that an even more gainful approach would be to synthesise the lessons learnt from comparative studies of government systems around the world, in order to build models of government which will better serve communities into the future, rather than undertake yet more analysis of governmental systems and structures which were developed in past ages without

the benefit of the great wealth of knowledge that has accrued since their original design.

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APPENDIX A

FINAL SELECTION OF FACTORS FOR USE IN COUNTRY COMPARISONS

Step 1. Match-up of Corresponding Factors

Table A-1 on the following page, displays the results of the comparative cross-referencing procedure applied to the 14 lists of factors, using Elazar's 15 factors (as listed down the extreme left column) as the datum, or reference, list.

Step 2. Refinement and Rationalisation of Extended List of Factors

The individual rationalisations and refinements employed in order to establish a final list of what turns out to be eleven federal factors are described as follows:

(Note: refinements of Elazar's factors E1, E2 etc. and the residual factors [which did not match up with any of Elazar's] are provisionally assigned the arbitrary names 'New E1' etc.)

New E1 (refinement of old E1 with generalised, modernised view of national security replacing military dominant view, and incorporation of WA1/W2)

New E1. there exists a common recognition of the need for common defence against common security (military, economic or other) threats, and federation, hence or otherwise, is thought to provide the best chance of maintaining a viable independence from foreign powers.

New E2 (rationalisation of old E2, E3 and E4, and incorporation of WA7/W4; requirements of latitude to constituent governments and voluntary collaboration are absorbed in to new E3)

New E2. there has been a history of cooperative association among the federating units and, hence or otherwise, there exists a sufficiently strong and common sense of nationhood, and sufficient

- **homogeneity of fundamental interests on the basis of culture, race, language and religion,**
- **consensus on social, economic and political issues, and**
- **compatibility among, or a capacity at any rate to accommodate, all ethnic nationalisms (majority and minority) present.**

(continued on page A-3 following Table A-1)

Step 2. Refinement and Rationalisation of Extended List of Factors (continued)

New E3 (rationalisation of old E5, E6, E7 and the part of E4 dealing with the requirements of latitude to constituent governments and voluntary collaboration; adding respect for rule of law; also incorporates W7/WA9 - leadership at the right time)

New E3. the political culture, population at large, elites and holders of political power at all levels are:

- **respectful, or at least accepting, of the federal constitutional and institutional arrangements and relationships, and committed to make them work,**
- **strongly predisposed toward democracy, power sharing, the involvement of large numbers of people in the governing process, political self-restraint, and cooperation,**
- **respectful of the rule of law, and**
- **strongly opposed to, and able to avoid, dictatorship and the use of force and coercion to maintain domestic order.**

New E4 (refinement of old E8)

New E4. there exists geographic factors which necessitate, favour or tend to reinforce the given federal structure.

New E5 (same as old E9)

New E5. there exists a decentralized political party system.

New E6 (rationalisation of old E10, E11 and E14 refined - rendering it more value neutral; Elazar is a somewhat dogmatic supporter of federalism, whereas it is universally recognised that federal systems incur at least some additional costs)

New E6. there exists sufficient national wealth and human resources to:

- **absorb the added costs of duplication (both vertical and horizontal) inherent in federations, and**
- **hence or otherwise, provide, in both the general (central) government and the constituent (provincial) polities, substantially complete, competent and separate legislative and administrative institutions which are able to function in their areas of authority and cooperate freely with counterpart agencies (among the general government and all the constituent governments).**

New E7 (same as old E12 but mentions Sawyer's suggestion of five minimum)

New E7. there exists a sufficient number of federating units (Sawyer believes at least five).

New E8 (refinement of old E13 with additional emphasis on institutional development which in effect incorporates W6/WA8)

New E8. the constituent polities are sufficiently balanced and equal in size, population, institutional development, wealth and resources generally, so as to prevent any single unit from predominating over the others to an extent which jeopardises or appears to jeopardise the integrity or powers of the others.

New E9 (refinement of old E15 adding emphasis on voluntarism, satisfaction of all significant interest groups, and without haste; also incorporates WA10 and W7/WA9)

New E9. the act of federation has taken place:

- voluntarily – absent of imposition from an outside power,
- carefully,
- without haste,
- mindful of the ingredients of success of other federations but at the same time "indigenously in ways that suit" the particular federating parties involved,
- under the authority of a well tailored Constitution and strong leadership, and
- with the consent, support, understanding and especially the will of the population at large and all significant interest groups.

The construction of additional factors – rationalisations and refinement of the residual factors – is now described, as follows:

The closely related factors S3, WA2, W3, DE3 and the old E10 are listed as follows:

- S3. common-market and other economic advantages,
- WA2. the hope of economic advantage;
- W3. a hope of economic advantage from union;
- DE3. expectations of stronger economic ties or gains
- old E10. an appropriate balance between cooperation and competition among the general government and the constituent units;

Factor 'New E10' as follows is proposed to represent the essence of the above five factors:

New E10. federation is expected to confer common-market and other economic advantages.

The closely related factors DT3, DT1, DE8 and DE9 are listed as follows:

- DT3. the population within the State is highly mobile
- DT1. social, economic and cultural (including ethnic, linguistic and religious) cleavages should differ from and hence overlap (rather than coincide with) provincial political boundaries.
- DE8. mobility of persons at least among the politically relevant strata
- DE9. a multiplicity of ranges of communications and transactions

Factor 'New E11' as follows is proposed to represent the essence of the above four factors:

New E11. friendly relations are maintained across provincial boundaries:

- **by virtue of a highly mobile population which frequently communicates and travels across provincial boundaries,**
- **because social, economic and cultural (including ethnic, linguistic and religious) cleavages within the federation differ from and hence overlap (rather than coincide with) provincial political boundaries,**
- or**
- **otherwise.**

Step 3. Final Re-ordering of Factors

The final stage of the factor selection process is that of assembling them in as sensible and logical an order as possible, with related factors more or less nearby in the list, as follows:

F1 = New E1

- F1. there exists a common recognition of the need for common defence against common security (military, economic or other) threats, and federation, hence or otherwise, is thought to provide the best chance of maintaining a viable independence from foreign powers.

F2 = New E10

- F2. federation is expected to confer common-market and other economic advantages.

F3 = New E2

- F3. there has been a history of cooperative association among the federating units and, hence or otherwise, there exists a sufficiently strong and common sense of nationhood, and sufficient
 - homogeneity of fundamental interests on the basis of culture, race, language and religion,
 - consensus on social, economic and political issues, and
 - compatibility among, or a capacity at any rate to accommodate, all ethnic nationalisms (majority and minority) present.

F4 = New E11

- F4. friendly relations are maintained across provincial boundaries:
- by virtue of a highly mobile population which frequently communicates and travels across provincial boundaries,
 - because social, economic and cultural (including ethnic, linguistic and religious) cleavages within the federation differ from and hence overlap (rather than coincide with) provincial political boundaries, or
 - otherwise.

F5 = New E9

- F5. the act of federation has taken place:
- voluntarily – absent of imposition from an outside power,
 - carefully,
 - without haste,
 - mindful of the ingredients of success of other federations but at the same time "indigenously in ways that suit" the particular federating parties involved,
 - under the authority of a well tailored Constitution and strong leadership, and
 - with the consent, support, understanding and especially the will of the population at large and all significant interest groups.

F6 = New E3

- F6. the political culture, population at large, elites and holders of political power at all levels are:
- respectful, or at least accepting, of the federal constitutional and institutional arrangements and relationships, and committed to make them work,
 - strongly predisposed toward democracy, power sharing, the involvement of large numbers of people in the governing process, political self-restraint, and cooperation,
 - respectful of the rule of law, and
 - strongly opposed to, and able to avoid, dictatorship and the use of force and coercion to maintain domestic order.

F7 = New E5

- F7. there exists a decentralized political party system.

F8 = New E6

- F8. there exists sufficient national wealth and human resources to:
- absorb the added costs of duplication (both vertical and horizontal) inherent in federations,
 - and, hence or otherwise, provide, in both the general (central) government and the constituent (provincial) polities, substantially complete, competent and separate legislative and administrative institutions which are able to function in their areas of authority and cooperate freely with counterpart agencies (among the general government and all the constituent governments).

F9 = New E8

- F9. the constituent polities are sufficiently balanced and equal in size, population, institutional development, wealth and resources generally, so as to prevent any single unit from predominating over the others to an extent which jeopardises or appears to jeopardise the integrity or powers of the others.

F10 = New E7

- F10. there exists a sufficient number of federating units (Sawer believes at least five).

F11 = New E4

- F11. there exists geographic factors which necessitate, favour or tend to reinforce the given federal structure.

The final list of eleven factors is as shown in the main body of the thesis on pages 71-73 in Section 3.17.2.