

Federalism & Democracy – with Professor Arthur Benz on 3 November 2020

Traditionally, federalism and democracy have been conceptualised as mutually reinforcing each other. The general assumption that federal states need to be functional democracy, and that a federal system can help strengthen democracy has, however, become more challenged. That is not to say that the combination of federalism and democracy is per se problematic, but that the dynamics that can be observed in established federal democracies from the United States to Germany and Switzerland, highlight different patterns of interactions, coupling and friction.

These tendencies are visible, when assessing the different forms of federal democracies around the world. In the dual federal system of the United States, federalism and democracy increase polarisation and divided government and governments between the US federal governments and the governments in the State. This is further problematic, because intergovernmental relations are notoriously weak in the US, and American politics is dominated by the Executive – limiting therefore the role of democratic oversight of Congress and State parliaments in the engagement of different executives. In Germany, on the other side, we see strong power-sharing between the different levels in the federation. This however, will likely result in the joint decision-making trap, where entanglement between the federal and Länder level results in slow decision-making and compromises based on the lowest common denominator.

For ordinary citizens, it becomes harder and hard to see which actions have been taken by the federal government, and when has the Land government acted and reacted, which might influence both accountability, and transparency within the federal system, and ultimately result in a lack of trust in federal democracy.

These tendencies can result in complex patterns of what Benz calls ‘loose coupling’, namely the combination of democratic practices with the need to coordinate and cooperate in different policy areas (i.e. intergovernmental interactions). These patterns include: (1) governance in the shadow of majority democracy; (2) interparliamentary relations; (3) autonomy-preserving modes of coordination (voluntary cooperation, opt outs, waivers, governance by standards and learning from other; and (4) solidary and fiscal balance. Rather than relying either on courts to settle intergovernmental disputes, or risk the evolution of technocratic or populist government in light of ongoing challenges in decision-making in complicated multilevel systems, what is needed is a high degree of pragmatism, which focuses on the art of balancing autonomy and coordination in federal democracies.

Soeren Keil, 50 Shades of Federalism