



Riker and Federalism

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Abstract. Forty years since its publication, William Riker's *Federalism: Origin, Operation, Significance* (1964) remains one of the most influential volumes on the politics of federalism. However, in assessing Riker's federal theory, scholars tend to focus on the specific hypotheses, the famous claim that the "military threat" constitutes a necessary condition for federal success, and upon rejecting the validity of that claim, by association, quickly dismiss the general theoretical argument. But Riker's federal theory does much more for our understanding of federalism as a form of government than simply connect, rightly or not, federal success with the presence of a military threat. In the paper I argue that the most innovative feature of Riker's analysis, defining for his contribution to the field and accountable for the emergence of new and original insights was the successful application for the first time of the principle of methodological individualism to institutional and constitutional analysis. Riker's theory of federalism, when viewed in the context of his intellectual contribution to the studies of democratic institutions, is, indeed, the original point of departure. In the paper, I review Riker's theory of federalism as embedded in and an integral part of his broader theory of democratic institutions, in order to highlight some of its merits that remained underappreciated until current research has generated the conceptual framework consistent with Riker's insights. Second, I draw some implications from Riker's theory for the contemporary challenges of federal constitutional design.

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Forty years since its publication, William Riker's *Federalism: Origin, Operation, Significance* (1964) remains one of the most influential volumes on the politics of federalism. When it was first published, the book provoked sharp debates among the leading scholars of federalism,¹ and hardly any major study of federalism has failed to refer to it ever since. A large and growing number of studies use Riker's book as the point of theoretical departure. Indeed, as Stepan (2005: 317) noticed, Riker is the scholar "who has most affected political science approaches to federalism" and it follows therefore that "we cannot progress too far without either building upon his arguments, or showing good reasons to refine or even reject his arguments."

Yet too often, in assessing Riker's federal theory, scholars have focused on the specific hypotheses and concrete predictions (e.g., the famous claim that the "military threat" was a necessary condition for federal success), and, upon rejecting the validity of a specific claim, have, by association, quickly dismissed the general theoretical argument. Yet the goal of theory is to explain observable regularities as well as to generate testable predictions, and the rejection of some predictions in their concrete formulations is not a sufficient reason for the rejection of all explanations

provided by the theory. Riker's federal theory does much more for our understanding of federalism as a form of government than simply connect, rightly or not, federal success with the presence of a military threat. The recurrent misinterpretations of Riker's views on federalism, harsh criticism, and even overall rejection of his federal theory, stem from the failure of the literature to place those views into the broader context of Riker's intellectual contribution and to evaluate the theory of federalism as its integral part. During his remarkable career as a social scientist, William Riker wrote very little about federalism beyond what was contained in the 1964 book. He viewed federal institutions as but a subclass of democratic institutions; and the general theory of democratic institutions quickly became the central focus of his scholarship. Thus, Riker's federal theory is incomplete outside the context of his work on democratic institutions generally. My goal here then is, first, to review Riker's theory of federalism as an embedded and integral part of his broader theory of democratic institutions, in order to highlight merits of the theory that until now have remained underappreciated by both federal studies and public choice scholars. Second, I draw some implications from Riker's theory for the contemporary challenges of federal constitutional design.

1. Introduction

William Riker is widely recognized as one of the founders of the rational choice methodology in political science. The rational choice revolution arguably began with the publication in 1962 of his provocative work, which influenced a generation of political scientists, *The Theory of Political Coalitions*. While nowadays *The Theory of Political Coalitions* is known largely for the famous principle of the "minimal winning coalition," in the 1960s, its most innovative and controversial feature was, the book proclaimed, a new "scientific" approach to studying politics. The book "exhorted the discipline to become more scientific...[and] showed how to do it," (Amadae and Bueno De Mesquita, 1999: 277). Most importantly, it challenged scholars by providing a successful example of how one can apply a truly scientific methodology to the study of politics. Of course, it did not provide all the answers. In fact, its main prediction seemed to contradict the observed facts (as an empirical matter, non-minimum winning coalitions were at least as prevalent as minimum winning coalitions).² But precisely that inconsistency with the theoretical prediction has led a number of scholars, in turn to seek further theoretical development, by identifying the limits of the initial theory and the ways in which it had to be modified. In doing so, scholars other than Riker began rapidly contributing to the building of the formal theory of coalitions and democratic politics. The process of theory building in political science started to resemble the cycle of theory building in the natural sciences.

The Theory of Political Coalitions was published during the same year Riker became the Chair of the department at the University of Rochester and began to build a new (and now famous) school in political science. Prior to this appointment,

Riker had spent more than a decade studying federalism extensively, but now, with the success of *Political Coalitions*, and facing new administrative challenges, he decided to complete *Federalism: Origin, Operation, Significance* quickly and to publish the manuscript as a relatively brief volume of 155 pages.³ But in those pages, Riker managed to attack every contemporary authority in the field and dismissed, as lacking theoretical foundation, practically all of the earlier work on the subject. *Federalism* was clearly intended to ignite a new controversy and thus, as was the case with *The Theory of Political Coalitions*, to generate the application of the new scientific methodology to research on federalism.⁴ In the early 1960s, to initiate a polemic was perhaps the only way to proceed with expanding the reach of the new methodology that Riker was advocating. The brevity and the polemical style of the book however had made it difficult to develop the argument in details and show all its applications, and though initially Riker intended to publish a truly comparative work on federalism, in the end he largely limited his empirical analysis to the practice of the United States, “with the object of generating hypotheses that can be tested against experience in other societies” (Riker, 1964: xii). Whether or not such was his original intent in *The Theory of Political Coalitions*, in *Federalism*, Riker’s intention was neither to fully develop a theory nor to test all relevant hypotheses, but to show an example of “a work in political science,” emphasizing the potential of his new method for political studies. Unfortunately (for the sub-field of federalism), after publishing *Federalism*, Riker immediately moved on to working on a related but more general theory of democratic institutions and did not return to elaborating his federal theory.⁵ Instead, it is Riker’s writings on general democratic theory that are the most helpful for clarifying his argument and allow one to appreciate the value of the theory sketched in that early book. Federal stability, it turns out, is no less than democratic institutional stability, so long as any assumptions that helpfully remove the underlying distributive conflict among the participants (e.g., Rawls 1972) are not allowed to creep into the model.

2. A Theory that Broke with Many Traditions

In summary, Riker’s federal theory is based on the assumption that federalism is an outcome of institutional bargaining among politicians. Depending on the positions that they occupy in the political process, politicians are divided over the core provisions of the federal constitution, most importantly, over degree of the state centralization, and this gives rise to bargaining. The crucial problem that the theory must solve is that institutional bargaining among rational politicians leads to instability of any “balanced” institutional solution, and, as a result, either the federal government or the constituent governments will dominate. If constituent governments dominate the federal government, the federation is bound to disintegrate, if the federal government dominates the constituent governments, though territorial integrity would be ensured, this would create a tendency for an ever increasing centralization and an eventual unification. The dominance by the center puts

constituent governments at the mercy of the federal government. Rational politicians representing constituent governments, thus, should not accept constitutional provisions that provide for federal government domination – unless they are subjected to some strong pressure, such as can be created by an external military threat. After the federation forms, its successful operation requires political institutions capable, on the one hand, of sustaining the dominance of the federal government and, at the same time, of generating incentives for federal politicians to preserve a degree of political autonomy of the units. In itself, constitutional separation of powers is not effective in safeguarding federalism. Instead, Riker's federalism requires to decentralize political process and most importantly, to create competitive (e.g. electoral) incentives for federal politicians to preserve its decentralized nature. It follows that institutional federal status-quo is primarily supported by the decentralizing nature of political competition, which gives state politicians a pivotal position in determining the fate of politicians at the federal level. The incentives to preserve the political autonomy of the constituent governments follow from the logic of political competition, which means that political parties serve as the main intervening variable.

In Riker's federal theory both the formation and operation of federalism are linked to the incentives for politicians and to the factors influencing those incentives. Thus, Riker's analysis of federalism is fully based on the principle of methodological individualism, that is on the premise that for a theory "to explain social institutions and social change is to show how they arise as the result of the action and interaction of individuals" (Elster, 1989: 13).

2.1. "Federalism" as a Vehicle to bring into Institutional Analysis Methodological Individualism

The most innovative feature of Riker's analysis, defining for his contribution to the field and accountable for the emergence of new and original insights was the successful application of the new methodological approach – the principle of methodological individualism.

The principle of methodological individualism was first introduced to the social sciences by Hayek (1942), who argued that theoretical analysis should seek to derive social phenomena from individual actions. "The concepts and views held by individuals [...] form the elements from which we must build up, as it were, the more complex [social] phenomena" (Hayek 1942: 286).

The application of this method to federalism was truly a groundbreaking innovation that opened new opportunities for theoretical advancement. Prior to Riker, the field was dominated by analyses of interactions between abstract collective entities – nations, states, peoples. The potential advantages and disadvantages of federalism for those collective entities, their common interests were assumed to explain the origin and development of federalism. For example, the classical study by Wheare (1954) stated: "the communities or states concerned must desire to be under a single independent government for some purpose" but at the same time have the "desire to be separate for other purposes." A popular approach was to list the social,

economic and geographic conditions characterizing relevant collective entities (nations and the people) as favorable or unfavorable to the development of federalism. Any significant study of federalism was almost obligated to come up with its own list of “social and economic conditions for federal success.” But for Riker, who had already effectively applied the principle of methodological individualism in *The Theory of Political Coalitions*, this was an unacceptable over-generalization. As Hayek (1942: 286) pointed out, social scientists frequently committed “a mistake of treating as facts those collectives which are no more than popular generalizations.” The tradition of taking nations, states and peoples as units of analysis, of course, was convenient, but counter productive, as it prevented scholars from focusing on the political divisions and conflict within those entities, aroused by federalism and by alternative principles on which it could be founded. Some social groups and individuals may benefit from federalism, others from full unification or full separation. Thus, concluded Riker, federalism is mainly a political phenomenon, a form of political conflict between individuals with different interests regarding the principles of government organization and institutional design. Politics, of course is a process of determining “who will get what, when and how” and more specifically in the federal context, political bargaining determines whose version of the union is to be implemented. Thus, the theory was to explain the motives of individuals involved in the conflict over alternative institutional principles of a federation and to show what could force those individuals to seek, accept and sustain a federal compromise.

2.2. *The Focus is on Politicians' Incentives*

The focus on individual incentives and on the conflict over alternative federal principles is the first crucial element of Riker's federal theory. Yet, individual incentives relevant for the development of federalism reside both with the masses and the political elites – people and their leaders, voters and elected politicians. Just as most studies of federalism prior to Riker considered collective entities as units of analysis, these studies also tended to focus on the interests of the local population. The prevailing idea was that “federalism is a response to certain social conditions that create some sense of a common interest” among the population (Riker, 1964: 15). As Riker explained, the trouble with this approach was the tendency “to reduce the explanation of the political phenomenon of joining together to an explanation of the social and economic conditions of the population. In bypassing the political, in bypassing the act of bargaining itself, it leaves out the crucial condition of the predisposition to make the bargain.The theory I have set forth, on the other hand, is confined to the political level entirely. It assumes some sense of common interest, of course, and then asserts the invariant conditions of forming one kind of larger political association namely, federalism.” (Riker, 1964: 16).

It would not surprise anyone familiar with Riker's theoretical heritage, that for Riker “at the political level” the key actors are politicians. Indeed, everything Riker wrote could be characterized as the analysis of strategic choices made by politicians and the effects of their choices on political outcomes. Riker was especially interested

in how democratic institutions limit and control the actions of the politicians, as well as in the ways and means available to politicians to manipulate institutions to their own advantage. Indeed, it was Riker who invented heresthetics – a new political theory explaining when and how political manipulation was possible, and identifying the mechanisms of manipulation that politicians could use.⁶ And it is not an accident that one of the major examples Riker used to illustrate this new concept was the adoption of the federal constitution in 1787.

For Riker, it is the logic of political competition and survival that either encourages or discourages politicians to support federalism. Thus, federalism is primarily a political phenomenon, and the central question of the federal theory is to identify how institutions shape political competition and create incentives for politicians to support or reject federalism.

2.2.1. Politicians are Divided on Federalism and Choose Institutions Strategically

The focus on incentives for politicians to form and dissolve federal unions allows Riker to consider political competition as an important intermediate variable in explaining federalism. First, Riker stresses that though they might recognize the value of the union, politicians are divided in their attitudes toward specific federal arrangements. Based on their current political status and expectations, some prefer stronger federal government, while others seek to limit its powers. Riker provides an example of such divisions between politicians presenting themselves as prospective national leaders and officials of constituent governments. These two groups, politicians, though perhaps representing the same voters (when aspiring national leaders also serve in local offices), pursue different strategies with respect to federalism. Similar divisions, argues Riker, exist in established federations, where preservation of federalism benefits some groups at the expense of the others and the winners naturally oppose to any reforms aimed to diminishing federal protections of their privileges.

Second, Riker assumes that politicians make strategic choices in selecting federal arrangements. Their divisions force them to engage in institutional bargaining over the federal principles. Federalism is an outcome of institutional bargaining and compromise among divided politicians.

Third, and this is a crucially important point for Riker, politicians in bargaining are driven by their own interests rather than by some abstract national interests or by the characteristics of their constituencies. Riker's politicians do not form and sustain a federal union, unless they believe that political benefits of federalism exceed political costs – for them. For example, even when federalism can bring significant economic benefits for the nations involved, federal success is not assured unless such benefits are translated into direct advantages for the politicians. Though economically efficient, a federation may never be created if national politicians choose to reject it. And an efficient federation can be dissolved, if politicians have compelling interests to support the separation. These claims do not require any explicit measurements of respective federations' economic efficiency; they are based on

establishing the theoretical possibility of inefficient (economically) outcomes. Without direct incentives for politicians (governments) to support federalism, federal unions will not succeed, “no matter how much people wish for them to happen” (Riker, 1975:131).

This is of course, a very controversial proposition, the full importance of which remains largely under-appreciated to this day, especially among the practicing policy-makers. There is still a widespread belief, based mostly on its common sense appeal, that federations are successful when the benefits to the component units (states) exceed the costs. Numerous studies explain the success and failure of federations by analyzing the economic and political benefits and costs for the nations involved. Recently, such an approach has even found its way into the midst of the scholars of the European Union. Yet Riker rejects an abstract cost-benefit analysis as an unacceptable oversimplification. For him, the reasons to form and sustain federalism are individual incentives, incentives of politicians. It is politicians who are engaged in federal bargaining and not every type of costs and benefits of federalism will translate into incentives for politicians to enter into the federal enterprise. Therefore, the level of public support in itself tells little about the future fate of federations – as the experience of the Soviet Union and the Czechoslovak federation has recently demonstrated.

2.2.2. *An Act of Making a Federal Constitution as Bargaining*

As politicians recognize the value of federalism but differ in their preferences in respect to specific forms and implementation, they engage in institutional bargaining. Riker focused on a particular example, federal constitution-making, which he interpreted to be “a bargain between prospective national leaders and officials of constituent governments.” And if a compromise is possible, it is reflected in the adopted federal constitution. Though in every real case there are many points of disagreement, Riker focuses on the most fundamental dimension – the conflict over the allocation of government autonomy between the national and sub-national governments. Along this dimension, “the numerous possible federal constitutions may be arranged in a continuum according to the degree of independence one kind of the pair of governments has from the other kind” (Riker, 1964: 5).

With some over-simplification we could assume that benefits of a federal union are fixed once the decision to federate has been reached, but alternative constitutional choices produce different distributions of relative winners and losers, and that constitutes the basis for the federal bargaining.⁷ Following John Nash, the term “bargaining” refers to a situation which involves “individuals who have the opportunity to collaborate for mutual benefits in more than one way” and no action could be taken without their mutual consent (Nash, 1950). In other words, “(i) individuals (“players”) have the possibility of concluding a mutually beneficial agreement, (ii) there is a conflict of interests about which agreement to conclude, and (iii) no agreement may be imposed on any individual without his approval” (Osborne and Rubinstein 1990: 1). Formal theory of bargaining has been developed

to predict the outcome of bargaining and identify factors that may influence it. The predictions are based on a specific theoretical “solution” which for each set of relevant parameters identifies “an equilibrium outcome.” Yet, it is important to notice that though Riker relies on the formal theory of bargaining as the foundation, Riker’s analysis of federal bargaining is different in a very important respect: it raises the issue of implementation, and attempts to analyze “non-equilibrium” situations.

2.2.3. Bargaining Implementation Requires a Strong Center

Riker’s federal bargaining is constitutional bargain. It is bargaining over the choice of alternative principles for the federal constitution. Politicians seek a compromise and finally agree to implement a mutually acceptable federal constitution. The difficulty is that bargaining over the most general constitutional principles is bargaining over the very institutions that have to insure the implementation of the bargaining outcome.

In most bargaining situations it is assumed either that implementation is a trivial matter or that there exists an efficient enforcer, like court or state, which could use coercive powers to guarantee that agreements are implemented. In fact, the general bargaining theory does not even consider enforcement of the bargaining solution as a special problem.⁸ In the case of federal constitutional bargaining, however, the institutions responsible for the implementation of the outcomes are themselves the subject of the disagreement. As a result, when federal constitutional deals are reached, there is no guarantee that they will be honored. In other words, the environment in which federal bargaining takes place is non-stationary. The decisions at time of federal formation change the environment in which future federal bargaining takes place, advantaging either federal government or sub-national governments.⁹ Thus, argues Riker, successful implementation of federal bargaining would require a sufficiently strong federal center, able “to overawe constituent governments” (Riker, 1964). This was precisely the federal model, which, according to Riker, the American founding fathers invented – “the centralized federalism,” introduced for the first time in the American Constitution. But, continues Riker, even the centralized federalism is inherently unstable, it is not an equilibrium outcome.

3. Federalism is not an Equilibrium Outcome

In federal studies, there was a long tradition of viewing federalism as a balance, and in that meaning of the word, an equilibrium between the opposing social forces and aspirations – unification versus autonomy, centralization versus decentralization, and etc. In contrast, Riker, armed with the theory of public choice and with his own analysis of coalition formation and bargaining, could not but recognize that federal institutional balance depended on coalitions which were formed to support it, that such balance would change with the changes in the coalitional structure, and as long as coalitions were unstable, the federal balance was bound to be unstable as well.

Therefore, concludes Riker, federalism is a non-equilibrium political process and the federal agreements are bound to be unstable and to change over time, to the advantage of either one side or another.¹⁰ Either the provincial (sub-national) governments are stronger than the federal government (Riker calls it “peripheralized federalism”), or the federal government has an upper hand (“centralized federalism”). Unfortunately, “peripheralized federalism” would rely on a weak center and would be nothing more than a stage on the path toward an eventual dissolution: “Having the initial advantage, the rulers of the subordinate governments tend to acquire more; and thus an identifying feature of peripheralized federalism is the tendency, eventually, for the rulers of constituent governments to overawe the rule(s) of federation” (Riker, 1964: 7). “Centralized federalism” meant a strong central government and “an identifying feature of centralized federalism is the tendency, as time passes, for the rulers of the federation to overawe the rulers of the constituent governments.”¹¹

Thus, federal bargaining itself, according to Riker, does not produce an equilibrium outcome (an equilibrium set of federal institutions). One needs to consider different factors (consider a different game) to identify the source of federal stability (Filippov et al., 2004). Some external (exogenous to the bargaining) factors are needed to preserve federal stability. Something external has to force politicians first, to accept a non-equilibrium outcome of initial federal bargaining and later some exogenous political process must create incentives for them to preserve the federation.

More specifically, three important conclusions follow from the instability of federal bargaining and the tendency to amend federal institutions. First, centralized federalism is the only federal form capable of preserving the territorial integrity – though it implies a gradual expansion of federal powers and functions. Second, a rational response of a local politician would be to resist such expansion (especially when she represents a minority group itself unlikely to capture the center). Normally, rational politicians involved in bargaining would not agree to more than a weak center, and the whole federal exercise would soon fail under the bargaining pressure from sub-national governments. It would take extraordinary circumstances to compel politicians to create a sufficiently strong federal government (hence Riker’s famous “military threat”). Third, “centralized” federal arrangements are unsustainable in the long run as they imply the eventual expansion of the federal government up to the full political unification. “Centralized federalism”, therefore, is either a temporary political phenomenon or some political “breaks” must be operating within the federal government, slowing down political unification. For centralized federalism to survive, federal politicians, while having the upper hand in the political process and capable “to overawe constituent governments,” must also have incentives to preserve certain autonomy of constituent governments. The analysis of these three theoretical points constitutes most of Riker’s book.

3.1. Only Centralized Federations have a Chance to Survive

The theoretical proposition that only a centralized federal model has a chance to survive is the central and the most controversial claim of Riker’s theory. Yet it yields

an easily testable prediction that was fully consistent with the contemporary evidence. And now it has an even stronger empirical support than it did in 1964, owing to such vivid confirmations as when all three formerly communist federations moved towards a peripheral federal model in the course of their political reforms, only to immediately collapse. Meanwhile, highlighting the other side of the argument, a fragment of the former Soviet Union, Russia, which was itself a federation as well, has converged to a highly centralized federal model and thus escaped territorial collapse, though federalism there is on its way to becoming mostly a formality. The only potential recent exception from Riker's rule is the EU – we will discuss it later.

From the proposition that only centralized federal models are potentially sustainable one could conclude that federal theory faces two main questions. First, what are the necessary and sufficient conditions for the formation of centralized federations? And second, what could prevent a centralized federation from reverting to a unitary form, or, at least, what could slow down the tendency toward social, political and economic unification? In combination with the principle of methodological individualism and the proposition that players in federal bargaining are politicians, the focus of the federal theory for Riker became the question about the incentives for politicians to form and sustain centralized federalism: why would politicians agree to a “centralized” federal model, and why, once it is in place, would federal politicians not subvert the federal form altogether despite their power to do so.

4. Conditions for Creating a Centralized Federation

4.1. The Role of the Military Condition to Necessitate a Centralized Federation

There is hardly a study of federalism that does not address and ultimately criticize the famous “military condition.” Insofar as the incentives to form a federation in the first place are concerned, Riker's well-known hypothesis is that the danger of an external military threat is, historically at least, the universal incentive compelling politicians to enter a federal compromise. The common misperception is to equate the empirical claim with the underlying theoretical argument. On empirical grounds, the military condition as a key to the federal success was “discovered” long before Riker. It was arguably first formulated by the anonymous author of the *Edinburgh Review*, declaring as early as in 1863 that “foreign aggression and foreign wars have created all federal governments” (vol. 118, p. 148, as cited in Cheng, 1931: 257). A number of renowned scholars before Riker similarly stressed the importance of military threat in promoting federalism (e.g., Maddax, 1941; Wheare, 1953). Riker, of course, was well familiar with all of these. In fact, his contribution was to supply the theoretical argument for the “military threat” and possibly many other hypotheses. And his theory boils down to the proposition that politicians will accept centralized federalism only if forced to do so, which is a much broader claim than the one where such force is the military threat. There is, strictly speaking, nothing in

Riker's argument to suppose that the incentives to accept a centralized federation must come from the military considerations, and Riker admits that his strong emphasis on the military incentives was a consequence of his initial set of cases being dominated by federations created before the rise of the welfare state capable of exerting a preeminent influence on national economies – federations whose federalism had a limited purpose of enhanced alliances formed for mutual military security in the face of common danger (Dikshit, 1975: 224, see also McKay, 1996). Insofar as the critical component of his argument, Riker's assessment stands, regardless of the validity of the military threat hypothesis.

Another way to form a centralized federation consistent with Riker's argument is by transforming an existing unitary state, either when the former empire breaks up in a more or less organized fashion, or when a military conquest of previously independent states imposes on them the federal model. Riker's logic suggests, furthermore, that the changes in the international regimes could make it difficult to respond to an external threat by enlarging the territory, preventing the "coming together" federal models, so the decentralization of previously unitary states may in fact be a dominant contemporary model of federal creation (something that Stepan (2000) labels the "staying together" or "holding together" model).

It is important to emphasize that by no means did Riker imply that federal arrangements could never arise without presence of a serious threat. But he did argue that *centralized* federalism could only be a product of such extraordinary circumstances, or the politicians would not agree to more than a peripheral federal model. Some federal forms could be (and were indeed) implemented in absence of Riker's conditions. One example is the initiation, after the WWII, of what has later become known as the European Union, as well as its institutional progress just as the communist threat has disappeared in Europe. Yet for as long as the European cooperation remains within a highly peripheral federal model, Riker's argument is not applicable, at least not directly (but see McKay, 2003).

4.2. Conditions for Preserving Centralized Federalism

4.2.1. Centralizing Institutions

Thus, for Riker, only "centralized federalism" can preserve the country's territorial integrity. But the federal government has to sustain its relative dominance beyond the initial circumstances that forced the centralized solution on the participants. "Centralized federalism" must survive significant economic and technological innovations, historical adjustments in the role of government, and the demographic changes. It is important, of course, that the federal government appropriately dominates constituent governments at the federation's inception, but that alone does not guarantee that the dominance continues. And, indeed, a number of federations with initially centralized constitutions ended up as peripheralized unions. Thus Canada is an example of a federation with a highly centralized federal constitution (1867), which gradually transitioned toward peripheralized federalism. The three

post-communist federations (USSR, Czechoslovakia and Yugoslavia) were the cases of rapid transitions from highly centralized to peripheralized federal models, producing federal governments so weak that they were unable to prevent those countries' territorial disintegration. Controversially, Riker saw all main American federal institutions as "centralizing" – the presidency, the Congress, the Supreme Court. In their operation, these institutions most of the times effectively promoted further centralization and national integration. In Canada, on the other hand, federal institutions failed to preserve the dominance of the center by allowing the role of provincial governments in the determining federal policies to expand over time.

4.2.2. *Peripheralizing Institutions*

While sustaining the strength of the center, how does one preserve at least some autonomy of constituent governments? Though all others were searching for the correct balance between the powers of federal and constituent governments, for Riker the central government unquestionably dominates, and must sustain its dominance over time; the resistance by sub-national governments to the federal dominance is counterproductive. The federal government is a champion of economic, social and political integration, preferring full integration. But some additional considerations prevent federal politicians from going all the way, because they "are not able to do so by conquest, because of either military incapacity or ideological distaste. Hence,....they must offer concessions to the rulers of constituent units, which is the essence of federal bargaining" (Riker, 1964: 12). This view, then, amounts to a good federation being but a temporary circumstance, the centralized federalism being but a temporary political form to be supplanted by full unification. In a successful federation, in absence of ethnic and territorial conflicts, the process of national integration should naturally erode the importance of local autonomy and diminish the popular support for it, and eventually the federal government would find itself in a position to terminate federalism altogether.

Riker's strong federal government is by definition stronger than any feasible coalition of constituent governments and cannot be constrained by them, especially in the presence of efficient "centralizing" federal institutions.¹² Thus, the question of survival and successful operation of centralized federalism as federalism is the question of incentives that could compel federal politicians to preserve the autonomy of constituent governments – in absence of any effective resistance from the latter and despite the weakening public support of local autonomy. In Riker's words: "What one wants for understanding the survival of centralized federalism is a detailed analysis of the devices for overawing and overruling and of the devices for moderating the overawing" (Riker, 1964: 50). Among possible safeguards of federalism located within the federal government are the formal restrictions in the federal Constitution, with the Constitutional Court acting an "arbiter" on those constitutional issues. Yet, Riker is not the one to place a very high value on the formal legal restrictions as they do not possess the inherent implementability when in conflict with the preferences of a strong federal government. Furthermore, Riker

hypothesizes that the federal Constitutional Court itself would be naturally inclined to be a “centralizing institution” and to strengthen the powers of the federal government. In the US, he argues, the political practice is such that most of the time the Supreme Court “hastens the process of centralization when it is in phase with the ideology of the Presidency and cannot impede centralization when it is not” (Riker, 1964: 102).¹³ In fact, according to Riker, in the United States the Constitutional Court, “aside from the Presidency [, is] the other main centralizing institution” (Riker, 1964: 102). Looking elsewhere in the world, the Swiss High Court lacks even the formal power to challenge the acts of the federal government and is only allowed to find unconstitutional the acts of constituent governments.¹⁴ The Court, Riker concludes, “has significance for federalism only when it is the handmaiden of the political branches, especially the Presidential branch. And as a handmaiden, it is of only secondary importance for our analysis” (Riker, 1964: 103).

Another possible hope is that in a popular democracy federalism is protected by the dual mode of people’s loyalties. As Madison put it: “The federal and State governments are in fact but different agents and trustees of the people, constituted with different powers, and designed for different purposes. The adversaries of the Constitution seem to have lost sight of the people altogether in their reasoning on this subject; and to have viewed these different establishments, not only as mutual rivals and enemies, but as uncontrolled by any common superior in their efforts to usurp the authorities of each other. These gentlemen must here be reminded of their error. They must be told that the ultimate authority, wherever the derivative may be found, resides in the people alone, and that it will not depend merely on the comparative ambition or address of the different governments, whether either, or which of them, will be able to enlarge its sphere of jurisdiction at the expense of the other” *The Federalist No. 46*.

In a democracy, strong dual loyalties – both to national and sub-national governments – in the electorate could shape the electoral incentives of federal politicians and curb their desire to encroach on local autonomy. But then the nature of federalism would be a mere reflection of the current state of citizens’ loyalties, and as those change, so should the federalism. And the expected direction of that change is to reduce the importance of territorial differences. Among the factors that generate the momentum for the national integration in the United States, Riker names the increasing population mobility, the nationwide job market, industrial and financial corporations operating across state borders, and the rise of the American culture. Thus, the populist story of federal democracy implies that it is futile to rely on the public’s preferences to prevent the federal government from encroaching further and further on state and local autonomy. Indeed, changes in the background social conditions have altered public loyalties in respect to central and state governments over the years, but “all are influential in the same direction, *viz.*, toward centralization. Thus, it may be said that federalism in the United States is likely to be centralized further as time goes on” (Riker, (1964: 110).

In fact, already in his 1957 book devoted to the analysis of the militia, Riker saw clearly the deficiency of the popular support of federalism argument, pointing out that

division of powers in a federation often produces duplications and inefficiencies, so federalism is often inefficient, but then how could one expect the public opinion to safeguard inefficiency: “it often happens that the guarantees of federalism turn out to be guarantees of inefficiency as well. Hence, of every federal system, one may legitimately inquire whether or not federalism is worth the inefficiency it may occasion. That is the central inquiry of this book. But such a question cannot be asked in a vacuum. It must be asked in relation to some specific function that is divided up. Here it is asked about the militia.....” (Riker, 1957: 18). His specific subject on that occasion was the case in point. In the Constitution, the administration of the militia was divided between the federal government and the states, with a great deal of attention from the Framers. Yet, soon after the Constitution was adopted, it turned out that in most states’ public did not value the independent role of the states in maintaining the militia enough to concede to bear the associated costs, and the militia quickly fell under the complete control of the federal government. Riker stressed that the federal government, in fact, had no choice but to centralize the control over the militia because state elected governments, facing less than enthusiastic public, frequently ignored their duties and did not enforce the law providing the service. As Riker argued in a later publication, the history of the militia was “the best evidence for the claim that our federalism has been progressively centralized” (Riker, 1987: 158), it was also an illustration of public reluctance to bear the cost of decentralization.

By the 1950s, the United States in Riker’s opinion reached such a level of national integration as to make it appropriate to question the value and the cost of safeguarding the federalism. It is not that he did not appreciate the benefits from the economic or political decentralization, but in Riker’s view, efficiency in government decentralization did not necessitate federalism as the form of government. Federalism exceeds what is necessary for the mere decentralization of government functions in that it preserves the political and electoral autonomy of constituent governments, their opportunity to bargain with the federal government and to implement independent policy. The last chapter of *Federalism (Is the Federal Bargain Worth Keeping?)* questions the value of state autonomy and reflects Riker’s skepticism of it, especially in the context of the Civil Rights struggle, culminating with the book’s famous conclusion: “Thus, if in United States one disapproves of racism, one disapprove of federalism” (Riker, 1964: 155).

Riker’s skepticism of federalism derives from the well-reasoned position that he takes and which is central to his theory – the federal status quo is protected not by the efficiency of policy decentralization, much less by the mode of public sentiment, but by the logic of political competition. In short, the protection of federalism resides with the politicians.

4.2.3. *Political Parties as THE Peripheralizing Institution*

Fortunately for the supporters of federalism (and contrary to what Riker himself advocated in the 1960s as a supporter of the Civil Rights movement), despite the advances of the national integration, American federal institutions seemed to be well

protected from the attacks by radical reformers. The great stability in the operation of American federalism seemed influenced little by the changes in the public's loyalties: "It is true that federalism is maintained by existence of dual citizen loyalties to the two levels of government. But this assertion is almost a tautology. Federalism means the existence of two levels each to some degree able to decide questions independently. Without loyalty to each of the two levels, both could not continue to exist. Besides being tautological, this statement tells us little about the degree of centralization in a federation" (Riker, 1964: 136). Perhaps, suggested at this point Riker, some political institutions were intervening between the social conditions and public loyalties and the operation of the federalism as an institution, preserving its stability?

It is here, while writing on federalism, that Riker has first made the distinction between the populist and the liberal models of democracy, which would become central to all his subsequent writings. A popular democracy translates public preferences into political choices directly, a liberal democracy uses the intermediaries to formulate the "will of the people" – political institutions that are constrained by public preferences but nevertheless have some degree of autonomy (Schumpeter 1943). Among the most important such institutions are the stable coalitions of politicians as in political parties. In respect to federalism in the United States, Riker argued, the system of political parties was the only institution preventing further political unification. Essentially Riker's argument is that to remain competitive, American political parties had to remain internally decentralized, since the logic of two-party competition in such a diverse electorate "induces similarity between parties by districts, but encourages (by perpetuating decentralization) dissimilarity within parties" (Riker, 1964: 101). The most important decisions within parties (such as candidate nominations) had to be the prerogative of local organizations. As a result, national politicians had to build coalitions and bargain with local and state politicians, who were natural opponents of political unification, or so goes Riker's argument: "The decentralization of the two-party system is sufficient to prevent national leaders (e.g., Presidents) from controlling their partisans by either organizational or ideological devices. As such, this decentralized party system is the main protector of the integrity of states in our federalism" (1964: 101).

Having identified centralizing and decentralizing institutions in the United States, Riker also briefly reviewed the operation of federal institutions and party systems in seven other federations in search of similarities. Out of his detailed analysis of the US and this cursory look at some other federations, emerged Riker's main federal hypothesis, that "the structure of the system of political parties is what encourages or discourages the maintenance of the federal bargaining" (Riker, 1964: 51).

The importance of this proposition, its theoretical novelty, its promise for future research as well as its controversial nature can hardly be overstated. While everyone in the field was struggling to come up with the lists of conditions for federal balance, Riker, rejected the idea of finding the institutional balance. Instead, armed by the premise of methodological individualism, he focused on the incentives for politicians engaged in federal bargaining, and on the parameters that could favorably modify those incentives. The federal balance emerges each time as an endogenous outcome

of the political process, being a function of interactions among and within major political parties.

Riker stresses the opportunism of politicians as well as the limiting role of the existing social conditions and prevailing public loyalties. Within limits, politicians could and would shape federalism in a way that would suit the best their electoral needs and the needs of their political parties. This argument leads Riker to “the assertion that the proximate cause of variations in the degree of centralization (or peripheralization) in the constitutional structure of a federalism is the variable in degree of party centralization” (Riker, 1964: 129). While at the same time, “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 bargaining” Riker (1964: 136) In Riker’s view, federal institutions are endogenous to the changes in the system of political parties and to the electoral needs of the politicians, but ultimately politicians are constrained in their institutional choices by the prevailing mode of public loyalties. In other words, federalism has to be in accordance with the calculus of political competition (party competition) and thus, federal institutional choices cannot deviate too far from the prevailing public demands.

Notes

1. A review of the book by Friedrich (1966) was arguably the most harsh review ever published in the *American Political Science Review*.
2. Strictly speaking, the formal theoretical arguments suffered from severe shortcomings as well – see Schofield (2001).
3. During this period, Riker published several significant works related to federalism (see Riker 1955, 1957, and Riker and Schaps 1957), and, most importantly, his book on the state militias, *Soldier of the States* (1957).
4. What else but a controversy could one expect from a book, which opened with the sentence: “This is an age of federalism,” and ended with: “Thus, if in the United States one disapproves of racism, one disapprove of federalism” (Riker, 1964: 1, 155).
5. In the years to come, Riker published little specifically on the subject of federalism. Among the more significant publications is the 1969 review article in *Comparative Politics*, an updated executive summary of the 1964 book in the *Handbook of Political Science* (Riker, 1975), the 1987 article with Jonathan Lemco, and, shortly before his death, a brief chapter in an edited volume on the European Union. Such of his major later works as *The Art of Political Manipulation* (1990) and *The Strategy of Rhetoric: Campaigning for the American Constitution* (1996) also deal with topics related to federalism. While all these publications were consistent with the theory in *Federalism*, they did not aim to further develop the argument.
6. Specifically, such manipulation would exploit the inherent instabilities of the social choice and would proceed by “constructing choice situations so as to be able to manipulate outcomes” (Schofield, 2000).
7. In general, different constitutional choices in a federation produce different level of overall benefits and their different allocation. This fact does not change re-distributional nature of the constitutional choices, which serves as the basis for federal bargaining.
8. It is assumed that players can make binding, costlessly enforceable agreements, but the mechanism by which such agreements are enforced within federations is not obvious.

9. In practice, in most cases, the terms of the federal bargain did not last more than 10 years (Filipov et al.). Among the most recent examples are South Africa and Russia. In South Africa, where during the transition to majority rule, African National Congress used the promise of decentralization as an incentive to gain cooperation from the government, Inkatha Freedom Party, and Afrikaner Volksfront made concessions on the powers of the provincial authorities to secure minority support for the 1993 draft constitution only to revise the course few years later (Lake and Rothchild 2003). In Russia, federal politicians abandoned power-sharing treaties (and perhaps federalism altogether) once a popular president won Kremlin.
10. In game theoretic terms, Riker's argument corresponds to "games within games" (Shubik, 1984, pp. 643–653) or to "nested games" (Heckathorn, 1984, p. 169), in which "each negotiation game is the output from a preceding game and, in turn, has as its output the subsequent game" (Heckathorn 1987). For example, consistently with Riker's logic, to model federal formation, we can treat federal bargaining as a non-stationary, multi-stage game, where the outcome of the previous stage changes the bargaining power of the players in the following round. Similar logic was applied to the analysis of bargaining in marriage, where previous choices (e.g., to have children or to advance professionally) determine current bargaining power of the spouses (Polluck, 2003).
11. As a recent comparative study concluded: "territorial decentralization is an extremely fragile political institution that.... is often quickly abandoned by majority groups and regions in favor of centralization and by minority groups and regions in favor of full political autonomy or secession. Most commonly, central governments quickly increase their power at the expense of regions and groups within the state. Less frequently, central governments unravel, ultimately leading to the disintegration of the state and the fracturing of the national territory into several sovereign pieces – each of which then tries, when possible, to centralize political authority within its own domain." David A. Lake and Donald Rothchild (2003). *Territorial Decentralization and Civil War Settlements*.
12. In the US, "probably the federal executive and legislative are more influential in the society as a whole than the sum of the states together. Since the states have never acted as a unit against the center, we do not know for certain whether or not this assertion is true. But a weaker assertion, that the center is more influential than a coalition of as many as half the states, is almost certainly true" (Riker, 1964: 103–104).
13. Yet as Riker points out, though "the Court is dependent on the Presidency for its renewal, but since the judges have life tenure, it is quite possible that at any particular time the ideological tone of the two institutions may be quite different" (Riker, 1964: 102).
14. Riker also analyzed in details the Canadian experience. In Canada, as long as the functions of the Constitutional Court were performed by the Privy Council in Great Britain (until 1949) it was highly peripheralizing institution, that "systematically curtailed the authority of the central government" (Riker, 1964: 117). The role of Constitutional Court fundamentally changed after its functions were transferred to the Canadian Supreme Court.

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