Designing Federalism

A Theory of Self-Sustainable Federal Institutions

> MIKHAIL FILIPPOV Washington University, St. Louis

PETER C. ORDESHOOK California Institute of Technology

OLGA SHVETSOVA Duke University



Contents

Lis	st of Figures	' page vii
Lis	st of Tables	viii
Pre	eface	ix
Ack	knowledgments	xi
1	Federations and the Theoretical Problem	i
	1.1 Why Federalism	i
	1.2 Definitions	5
	1.3 The Long Search for Stability	16
	1.4 The Fundamental Problem of Stability	2.6
	1.5 Basic Premises and Conclusions	33
2	Federal Bargaining	42
	2.1 Alliances versus Federations	44
	2.2 The Private Character of Public Goods	50
	2.3 Equilibrium Selection and Redistribution	52
	2.4 The Federal Problem	55
	2.5 Bargaining for Control of the Center	61
	2.6 Allocating Jurisdictions	68
	2.7 Three Levels of Institutional Design	71
3	Two Cases of Uninstitutionalized Bargaining	76
	3.1 The Czechoslovak Dissolution	79
	3.2 The Soviet Disintegration	88
	3.3 The Feasibility of Success in Initial Bargaining	101
	3.4 Secession: The Special Road to Renegotiation	104
4	Representation	111
	4.1 Two Alternative Models of Federalism	in
	4.2 A National Venue for Bargaining	116
	4.3 Within versus Without	119

	4.4	Direct versus Delegated Representation	125
	4.5	Other Parameters of Design	127
	4.6	Bilateral Decision Making and the Case of Russia	131
5	Ince	ntives	142
	5.1	Institutional Enforcement	142
	5.2	The Court	151
	5.3	Some Simple Rules of Constitutional Design	157
	5.4	Voters versus Elites	161
	5.5	Desirable Imperfection and a Democratic As-If Principle	169
6	Poli	tical Parties in a Federal State	177
	6.1	An Extreme Hypothesis •	177
	6.x	Parties in a Democracy	182
	6.3	The Idealized Party System	186
	6.4	6	190
	6.5	Integration outside the United States	196
	6.6	India	213
7	Inst	itutional Sources of Federal Stability I	226
	7.1	Introduction	226
		Level 2 and The Federalist Papers	229
	7.3		236
	7.4	,	241
	7.5	Local and Regional Design Parameters	252
8	Inst	itutional Sources of Federal Stability II	259
	8.1	Electoral Mechanisms and Societal Structures	260
	8.2	0 1	268
	8.3	1	289
	8.4	Level o - Things beyond Design	294
9	Des	igning Federalism	299
	9.1	Introduction	299
	9.2	Russia	301
	9.3	The European Union	315
	9.4	Conclusion	331
References		337	
Nar	ne In	ndex	?,6j
Subject Index		374	