

Party organizational strategy in multi-level systems

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When do parties in multi-level settings seek to build and maintain integrated organizations and when do they seek autonomy—even at the cost of organizational rupture? When are state-level and federal-level parties united by the pursuit of common goals and what factors shape the costs and benefits of cooperation for state parties? This paper seeks to answer these questions drawing upon survey research from over 200 sub-national parties across eight multi-level systems.¹ Using multiple regression analysis, I test the impact of the interlocked nature of federal decision-making, and the decentralization of federal power on party organizational linkage and subnational party autonomy. I find that while the interlocked structure of the state does not explain integrative linkages, the range of autonomous subnational jurisdiction does. Decentralization is an even stronger predictor of vertical integrative linkages.

INTRODUCTION

In a multi-level environment, such as a federation, parties must strategically organize across more than one territorial level. Federally, parties must decide how closely to cooperate with their sub-national counterparts, how much autonomy to afford them and how to balance the interests of the party's regional constituent parties (if indeed the party aims to organize and compete across the whole country rather than in one region only). The sub-national party organizations must decide how closely they wish to be associated with the policy programs, leaders and 'brand' of the federal party, and how much local autonomy to exchange in return for influence gained through the statewide party's success at the federal level. The party's strategic decisions about autonomy affect the local responsiveness of parties and hence the nature of representation in the multi-level system. Decisions about resource sharing can impact the efficiency and professionalism with which a multi-level organization can operate.

There can be more than electoral success at stake. Party organization has been argued to be key to the stability of federal systems (Riker, 1964; Filippov, Ordeshook and Shvetsova 2004). Integrated parties and centralized party systems prevent the centrifugal disintegration of federations by creating strong local foundations for the state-wide party and by reinforcing the vision of shared goals that entice sub-national parties to remain loyal to the broader federal party.

This paper draws upon new survey data from sub-national parties to investigate the causes of organizational strategy in multi-level systems, specifically, the organizational and cooperative linkages between party levels, their policy

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distance, and the degree of autonomy exercised by subnational parties. I argue that the state structure can create incentives that shape the development of integrative linkages and shared goals in party organizations. Parties adapt to the relative intensity of rewards of office at the federal and state levels and to rewards for effective cooperation across levels of government.

While the parties literature finds that a decentralized state encourages decentralized parties, I argue that the way in which the state structures interdependence in policy-making is also of key importance. Overall, the degree of power and autonomy that the political system creates for sub-national office, together with the degree of coordination required between the federal and state governments during policy-making can affect the incentives and rewards that parties face, shaping their organizational response to a multi-level competitive environment. As the state level of government becomes more powerful in terms of spending power and the range of jurisdiction, state-level parties will seek greater autonomy and will only maintain vertical integrative linkages if this autonomy can be achieved. When the requirement for effective intergovernmental cooperation is high—in federations with a functional division of powers—state parties will face greater incentives for maintaining vertically integrated organizations that can facilitate effective policy-making.

The search for a generalizable explanation of party organizational strategy in this paper is limited to state-wide parties. In most federations, party organizations are integrative networks spanning the federal and state levels. This structure and their common general aim of seeking electoral success for the party family holds them together, despite the sometimes conflicting pressures that arise when the state and federal party organizations contest different elections in their 'own' arenas. Not all parties face this challenge to the same degree. Regional or 'non-statewide' parties organize only in one unit of the federation, but compete for both offices (such as the ERC in Catalunya and BNG in Galicia in Spain or the CSU in Bavaria). While competition for federal office may expose the party to special strains created by the need to form workable coalitions with state-wide parties and so compromise to incorporate those parties' demands, but internally, these parties do not face the strains that arise due to the need to balance regional demands from across the country in order to create a single national voice.

EXPLAINING PARTY CHOICES ABOUT INTEGRATION AND AUTONOMY

This paper seeks to explain two aspects of multi-level party organization: vertical integration and autonomy. Vertical integration refers to the organizational linkages, cooperation and two-way interdependence between state and federal-level parties (Huckshorn et al, 1986; Smiley, 1987:103; Dyck, 1991:130; Filippov et al 2004; Thorlakson 2009) such that 'neither level of the party is necessarily subordinate to the other' (Huckshorn, Gibson, Cotter, Bibby, 1986:978). Dyck notes that vertically integrated parties compete and exist at both levels of government and generally maintain close relations between these levels (Dyck, 1991:129). A key aspect of the integrated party, emphasized by Filippov et al, is that through their shared partisan label, the two levels of the party share a common goal and loyalty to

the party as a whole (Kramer, 1994:1507; Filippov et al, 2004:195) so that '[e]very component part of the party contributes to the party's overall success' (2004:192). Integrated parties are the building blocks of integrated party systems, where the presence of similar parties in federal and state party systems and voter behaviour creates both organizational and competitive linkages between the state and federal arenas.

Forms of integrative linkages can be found on the material, interpersonal and policy levels. In this paper I include the provision of resources and services between levels of the party, norms of cooperation (such as campaign trail endorsements by leaders) and the policy distance between the federal and state branches of the party. As a general indicator of an integrated party, I use the perception of shared goals between the state and federal parties. This is the normative outcome at the core of the theorized stabilizing effects of vertical integration. It encourages federal parties to allow a degree of regional autonomy and sub-national parties to constrain their claims for the sake of the success of the party at the federal level.

Autonomy of a subnational party refers to its capacity to act without constraint or interference from the federal party (Thorlakson 2009:162). While vertical integration is concerned with interdependencies, organizational, cooperative and resource linkages, autonomy tells us about the capacity of the state level party to shape its own policies and go its own way, to assert its own interests and tells us about the location of power in a party. While it is plausible that the vertically integrated party will necessarily curtail the autonomy of state party, comparative research has not empirically confirmed this, nor investigated how various forms of vertical integration are related to the degree of party autonomy.

Theoretical explanations of vertical integration and state party autonomy

The literature on parties and multi-level systems identifies two main ways in which state structure shapes party organization. The first is the location of power in the state. Federal state structures give rise to parties that are federal in structure (Duverger, 1964:55) or more decentralized than parties in unitary states (Truman, 1971:118-129; Lawson, 1976:79; Thorlakson 2002,2009; Hopkin 2003, 2009; Deschouwer 2006).² The general logic of this mechanism is that the location of power in the state shapes the payoffs of competition. Powerful subnational units make this level a more important and valuable site for competition; winning office at the regional level becomes a greater prize in its own right. Politicians and parties will be more likely to pursue strategies to maximize subnational electoral success

² This is related to a more general tendency for state structure to affect party competition in federations. In their comparative analysis of four multi-level systems, Pradeep Chhibber and Ken Kollman show that the allocation of governmental authority has been the most powerful explanatory variable affecting the development nationalized or aggregated party systems. As power in the political system is centralized, office and policy-seeking parties have a greater incentive to coordinate across constituencies to create nationalized party systems (Chhibber and Kollman, 2004). Decentralization is also associated with low party system level linkage in the form of party system dissimilarity or incongruence across jurisdictions (Thorlakson 2007).

even at the expense of party votes in federal elections. This logic, developed to explain the decentralization of power in political parties, can be applied to predict the degree of autonomy of subnational party organizations. State decentralization has been found to be associated with greater autonomy of subnational party elites in cross-sectional (Thorlakson, 2009) and longitudinal studies (Hopkin, 2009).

One problem with this literature is that state 'decentralization' is a vague term that often conflates sources of power, the location of power and interdependence or autonomy in the exercise of power. Subnational units gain power through control of fiscal resources—the power to tax and spend—and through their constitutionally assigned legislative jurisdiction. Fiscal decentralization and fiscal autonomy (indicated by measures of own-source revenue) can increase the importance of the subnational level of government, and alter the cost-benefit calculation that parties face in multi-level systems, making them less likely to sacrifice local responsiveness (and electoral success) for policy loyalty to the party at the federal level.

Decentralized fiscal power does not always go hand in hand with decentralized legislative power (Bolleyer and Thorlakson, 2009). The institutional allocation of legislative power can have two effects. First, through allocating a wide range of exclusive policy competences to either the state or federal level, it can affect the location of legislative power. Second, through the extent to which it tends to allocate legislative competence exclusively to a level of government or shares it between levels affects the legislative autonomy of the subnational government. Extensive areas of exclusive subnational legislative jurisdiction, which create legislative autonomy for subnational governments, give the regions greater scope to develop independent policy stances, therefore making subnational levels of the party more likely to demand the autonomy to allow them to pursue their own interests.

The way in which state design structures interaction

The extent to which the constitutional design structures interaction between levels of government in policy-making is another aspect of state structure said to influence the development of linkages between state and federal parties (Scharpf, 1995; Chandler, 1987:104; Thorlakson 2009). When federal institutional structure requires interaction between levels of government, integrated parties will likely follow. When a federation employs a functional division of powers, assigning broad legislative competence to the federal level and implementation to the subnational level, effective policy-making requires close cooperation between the federal and state governments. A functional division of power can therefore create incentives for parties to build integrative organizational linkages and cooperate closely across the state and federal levels. Intra-party linkages can help to assure support for the implementation of legislation. At the level of the party organization, Chandler argues that 'regional parties in a functional system cannot systematically differentiate their positions from those of the national party leadership. From this there results an overall integrative tendency within functional federalism' (Chandler, 1987:104).

These integrative tendencies may be intensified in a special type of functional federation, where cooperation between the state and federal governments is needed not only for implementation, but also for legislation. Joint federalism occurs where the federal government must act jointly with the state governments to approve legislation in the bicameral federal parliament. In Germany, legislation that affects Land interests is subject to a veto in the Bundesrat. In joint-decision systems such as Germany, where the federal government is reliant upon the states not only for policy implementation but also for approval of legislation in the Bundesrat, it 'creates centralizing links between federal and state politics' (Scharpf, 1995:33). When effective policy-making requires coordination between the federal and state levels of government, political parties that develop coordinating linkages within political parties have a strategic advantage.

The incentives and opportunities generated by the state institutional structure operate within a context-rich environment. The way in which integration manifests in specific forms of resource and service provision, while influenced by state design, will also likely be affected by contextual factors such as the legacy of party organizational form, national party finance legislation, or the degree of professionalization of the party. The actions, organization and motivations of parties are also shaped by tradition, culture and constrained by past organizational structure. I control for country effects using country dummy variables in the multiple regression analysis. Similarly, the 'genetic' organizational legacies associated with various party families (can create enduring constraints on organizational change in response to state structure. These organizational origins and traditions, such as the integrated and centralized structures of social democratic parties or the potential fragmentation of and reliance on local power centres of liberal or conservative parties (Panebianco, 1988) may limit the potential for autonomy or integration in parties and provide different starting points for party organizational change. Past organization can impede party responsiveness to state decentralization (Hopkin and Bradbury, 2006). I control for party family in the analysis using dummy variables.

Predictions

Building on this logic, we can expect the following:

Vertical integration:

We should expect to find a greater degree of vertical integration in all its forms (upward and downward service provision, cooperation, ideological distance and perception of shared goals) in multi-level systems with institutionally structured interdependence, when there is widespread use of a functional allocation of power. Jurisdictional interdependence creates a requirement for state and federal governments to work together. Vertical linkages are an efficient organizational response to help parties in government be more effective policy-makers. Decentralization in the state can lead to a change in the cost-benefit calculus for cooperation of state parties with federal parties. I predict that as subnational office becomes a more valuable prize in itself (rather than a stepping stone to federal

politics), subnational parties will be less willing to cooperate with federal parties if this means compromising local party appeal.

We expect the development of ideological incongruence between the state and federal levels of the party to be shaped by opportunity for differential mobilization. This occurs when subnational legislative autonomy and fiscal decentralization are high. A high range of autonomous subnational jurisdiction gives parties the capacity to carve out distinctive policy profiles. While ideological congruence of the state and federal parties can be considered to be an indicator of integration, shaped by state structure, it can also be considered to facilitate other forms of integration or autonomy, serving as underlying conditions for cooperation or for the sharing of resources and services. It can impede other forms of linkage, including shared goals, cooperation and vertical integration. As the policy distance between the state and federal parties grows, the less likely it is that these parties will be able to find common ground for cooperation, or find electoral benefit in a public alliance. Minimal ideological distance is a precondition for other forms of cooperation.

We should expect shared goals to be associated with higher levels of upward and downward resource and service provision as well as increased frequency of cooperation. When goals of the subnational party diverge from its federal-level party, this is likely due to pressure to respond to local base (importance of the subnational level, through fiscal decentralization) or it could be due to abundance of opportunity for mobilization of issues particular to the subnational jurisdiction (when legislative autonomy of the subnational level is high).

Autonomy:

Party autonomy refers to the degree to which the federal party exercises control over the state-level party. This makes the autonomous party conceptually distinct from a party with low vertical integration. The former implies autonomy from control by the federal level of the party, while the latter implies weakness of organizational linkages between the two. Nevertheless, the hypothesized mechanism by which state structure influences autonomy are similar. We expect a high degree of state party autonomy when structural interdependence is low and when the state arena is relatively powerful due to fiscal and legislative decentralization. Autonomy is more likely to be found when ideological congruence is low.

DATA, MEASUREMENT AND METHODS

Data

Party organizational data is from the Party Organizations in Multi-Level Systems dataset (POMLS), collected through an online survey administered to the entire population of organizational leaders (party chairmen, general secretaries or presidents) of sub-national party organizations in Canada, the United States,

Germany, Austria, Switzerland, Spain, the UK and Australia.³ The English survey was translated into French, German, Spanish (Castilian) and Catalan. Statewide parties polling on average of at least 5 per cent of the vote in the last three elections were included. The online survey was administered between October and November 2005; a postal version of the survey was used to collect additional responses in Canada in March 2006. In April and May 2008, a further 13 survey responses were collected from party leaders in Spain using questionnaires distributed and completed in advance of a semi-structured interview. Telephone contact and emails were used to invite participation, confirm email addresses and follow-up non-responses. The cross-sectional dataset consists of 205 cases, for an overall response rate of 37.6 per cent.⁴

The cases are statewide parties in multi-level systems (either, federal, 'quasi-federal' or devolved unitary states with directly elected regional assemblies with governments).⁵ The dataset includes parties that compete at the state level yet lack formal organizational linkages with a federal party (such as some Liberal party organizations).

Indicators

I measure five different forms of vertical integration: upward resource and service provision (upward vertical integration), downward resource and service provision (downward vertical integration), cooperation, the range of policy distance between the state and federal party (left-right difference) and the extent to which the subnational party perceives the federal party to be the same party with the same goals and interests (shared goals). I also measure the autonomy of the subnational party.

Upward vertical integration, downward vertical integration and cooperation are composite variables created from a number of survey items. To create these, I have excluded indicators of vertical integration that are most likely to vary according to party functions and national legislation (membership recruitment and fundraising and cash transfers), and have excluded variables which factor analysis revealed to be a poor fit (downward staffing and bureaucratic assistance). Factor analysis confirms the existence of three dimensions that correspond to the upward resource and service flows, downward resource and service flows and cooperation. The composition of these variables is as follows:

1. *Upward vertical integration*: forms of resource and service provision from the state to the federal level, including staffing or bureaucratic assistance, polling

³ Belgium was not included in the dataset because its parties organize at the community and not federal level.

⁴ 188 responses were generated by the 2005 online survey, three additional responses by the 2006 Canadian postal survey and 13 additional responses in Spain in 2008.

⁵ Ron Watts classifies Spain as 'federal in all but name' due to the degree of self-rule constitutionally guaranteed for its 17 Autonomous Communities (Watts:1999: 30).

- and research, campaign seminars or training, policy, programme or manifesto formulation and rule enforcement.
2. *Downward vertical integration*: forms of resource and service provision from the federal to the state level, including policy, programme or manifesto formulation, polling and research, campaign seminars and training and rule enforcement.
 3. *Cooperation*: this includes endorsements or public appearances on the campaign trail by the state/federal leader during federal/state election campaigns.⁶

The POMLS dataset captures shared goals and aims through a direct survey question asks state party elites to indicate the extent to which the state and federal parties are the 'same parties with shared goals and interests, or separate parties with different goals and interests'. The dataset also contains a variable that captures a less direct indicator of level three vertical integration: elites' assessment of the ideological distance between the state and federal parties.

Autonomy

To measure the latent variable of subnational party autonomy, the POMLS dataset contains a range of variables, constructed from survey questions that ask respondents to use a Likert scale to rate the extent to which the federal party organization has influenced the state party's actions in the choice of coalition partner at the state level, the content of party policy programme, the choice of candidates for state and federal elections, the choice of state party leader and voting behaviour in the state parliament. Five of these six variables (excluding party influence on coalition choice) are unidimensional enough that they can be combined to create a single summary variable in the dataset, 'party autonomy'.⁷

Indicators of state structure

Fiscal measures of decentralization and autonomy

I use two fiscal measures of decentralization. The first is the combined score of fiscal decentralization. It is an average of revenue and expenditure decentralization in the country, based on IMF data, all available years in the 1990s and 2000s. Higher values indicate greater decentralization. The second measure of fiscal decentralization I use is own source revenue of subnational governments (OSR), from Rodden (2002). This captures the share of sub-national revenues actually

⁶ The three variables are created using regression factor scores from a principal components analysis with orthogonal rotation. The eigenvalues for these factors are 2.783, 1.925 and 1.646.

⁷ Principal component analysis with orthogonal rotation yields a single dimension, with an eigenvalue of 3.062. The party autonomy variable is created by the regression factor score from this analysis. Together, the five survey items retained in the autonomy index have a Cronbach's Alpha score of .822.

raised by sub-national governments themselves, filtering out revenues from grants, transfer payments and revenue-sharing arrangements. Compared to combined fiscal decentralization, own source revenue is a finer-tuned indicator of subnational fiscal power and autonomy. Theoretically, if fiscal autonomy is more important than spending power in the mechanisms shaping party organizational responses, it should perform better than combined fiscal decentralization.

Jurisdictional measures of decentralization and autonomy

To assess both the location of power and the degree of legislative autonomy of each level of government, I use indicators of the range of exclusive policy competences constitutionally assigned to the federal and subnational levels of government—Exclusive Federal Jurisdiction (EFJ) and Exclusive State Jurisdiction (ESJ). These are calculated in Thorlakson and Bolleyer (2009) using data on jurisdictional classifications of 54 policy fields in federal constitutions, compiled by Watts (YEAR). The EFJ or ESJ index is calculated with the number of policy fields exclusively assigned to the federal (or subnational) level as the numerator, and all assigned policy fields in the denominator. For a discussion of its calculation see Bolleyer and Thorlakson 2009.

Measures of interdependence

I use the Index of Functional Allocation as an indicator of interdependence. It uses constitutional jurisdiction data to measure the number of policy fields in which a functional allocation of power is used (when legislative power is assigned to the federal level and administrative power to the subnational level), compared to all assigned policy fields. This variable ranges from 0 to 1, with 1 representing a complete functional allocation across all fields.

Methods

I first present an overview of data: patterns of integration. I then use multiple regression analysis to assess the relationship between state structural variables and the indicators of vertical integration and autonomy.

FINDINGS

I begin this section by reporting on the forms of resource and service provision and cooperation that we find between subnational and federal parties. I then report the results from multiple regression analyses on the predictors of forms of vertical integration.

Resource and service provision, cooperation and competition

The most frequent forms of resource and service flows between the state and federal-level parties reported by party chairmen across eight systems are presented in tables 1 and 2. The most common pattern we find is for state-level organizations to serve as branches that recruit and gather resources: they recruit members and pay fees to the federal party. In turn, the federal party provides polling and research, campaign seminars or other training. State parties report that in policy, programme

and manifesto formulation, assistance flows in both directions—from the state to the federal party and from the federal to the state party. While the state-level parties transfer cash upward to the federal level of the party, it is rare for cash to flow in the other direction or for the two levels of the party to cooperate in fundraising, which is rarely or never a form of cooperation across levels in most parties. Over half of the respondents reported that the state and federal parties often or sometimes compete for funding from the same donors. In terms of staffing and record-keeping, the state and federal parties maintain separate organizations.

Table 1 Resources and services provided by the federal party organization to the state party organization

	'Often' or 'sometimes' (%)	'Rarely' or 'never' (%)	'Don't know' and missing values (%)	Valid n
Policy, programme or manifesto formulation	78.4	17.2	4.4	195
Campaign seminars or other training for candidates or personnel	77.0	19.6	3.4	197
Polling and research	49.0	42.2	8.8	186
Enforcing rules	43.6	46.1	10.3	183
Membership recruitment	41.1	51.5	7.4	189
Staffing or bureaucratic assistance (record-keeping)	32.8	60.3	6.9	190
Fund-raising	29.4	60.8	9.8	184
Cash transfers	29.4	61.3	8.9	185

Source: 2005, 2008 POMLS survey

Table 2 Resources and services that the state party organization provides for or shares with the federal party.

	'Often' or 'sometimes' (%)	'Rarely' or 'never' (%)	'Don't know' and missing values (%)	Valid n
Membership recruitment	60.8	28.4	10.8	182
Policy, programme or manifesto formulation	55.9	29.9	14.2	175
Cash transfers	44.1	41.7	14.2	175

Staffing or bureaucratic assistance (record-keeping)	34.3	54.4	11.3	181
Campaign seminars or other training for candidates or personnel	32.3	54.4	13.2	177
Enforcing rules	28.4	48.6	23.0	157
Fund-raising	27.5	57.4	15.2	173
Polling and research	25.0	58.3	16.7	170

Source: 2005 POMLS survey

State party leaders typically campaign in support of the party during federal election campaigns; it is less usual for the federal party leader to appear on the campaign trail during state-level elections. Overall, a picture emerges where state-level parties actively contribute to the success of federal election campaigns, career paths typically see state-level politicians move to the federal level over time, and cooperation between the state and federal parties is generally unhindered by significant disagreements over major policy issues (Table 3). However, there is some tension in the relationships. More than half of parties report some competition with the federal-level party for campaign funding from the same donors; for some parties, the competition goes further than this. Just over 18 per cent of state parties report significant disagreement with the federal party over major policy issues. Just under a quarter of respondents report that a downward career path occurs 'often' or 'sometimes'. This is interesting as it can signal the presence of an imbalanced payoff structure in which rewards and opportunities are perceived to lie chiefly at the subnational level.

One of the difficulties of cross-national comparisons is that the activities of parties vary across national contexts. Funding and cash transfers are frequently regulated by electoral legislation. In the United States, voter registration is a key activity for parties. In Switzerland, cantonal level parties are active in the political campaigns surrounding votes (especially referenda): collecting signatures for initiatives or referendums, developing and communicating the cantonal party's position on votes, developing publicity and slogans for party positions on votes. This underscores the need to use multiple indicators of vertical integration and be alert to how various dimensions of integration are affected differently by political forces.

Table 3 Frequency of forms of cooperation

	'Often' or 'sometimes' (%)	'Rarely' or 'never' (%)	'Don't know' and missing	Valid n
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			values (%)	
The state party leader makes endorsements or public appearances during federal election campaigns.	83.6	16.4	0	184
Politicians or party staff start a career at the state/provincial level and move to the federal level.	77.0	21.3	1.6	183
The federal party leader makes endorsements or public appearances on the campaign trail during state election campaigns.	74.5	25.0	0.5	183
The state and federal party compete for campaign funding from the same donors	53.6	43.7	2.7	180
Politicians or party staff start a career at the federal level and move to the state/provincial level	23.0	75.3	1.6	183
The state party has significant disagreement with the federal party over major policy issues	18.3	80.5	1.1	182

Source: 2005 POML survey.

Explaining forms of vertical integration and autonomy

To test the hypotheses developed above and assess the predictors of vertical integration I conducted multiple regression analysis. The regression results are reported in tables 4-9 in the appendix and are summarized below.

Upward and downward service provision

All models support a relationship between the decentralization and autonomy of state finances (fiscal decentralization and own source revenue) and upward and downward service provision. Integrative linkages of both upward and downward service provision are more likely to occur in fiscally decentralized states, and particularly when fiscal decentralization gives subnational governments a measure of financial autonomy—when subnational governments possess a higher degree of own-source revenue. The data does not support the hypotheses that jurisdictional

interdependence predicts vertical integrative linkages of resources and services. Functional allocation of power is an unstable predictor of upward and downward service provision: only in one model do we find the relationship in the expected direction. In the specification of the model using own source revenue instead of the combined measure of fiscal decentralization, an increase in the functional allocation of power predicts less frequent upward and downward resource and service provision.

The extent of exclusive state jurisdiction emerges as a significant predictor of vertical integration, but not in the expected direction. A high degree of exclusive jurisdiction for the subnational level can indicate both policy decentralization and autonomy. However, increases in the extent of exclusive state jurisdiction predict *more frequent* upward and downward vertical integration, not less. The effect of ESJ is not a significant predictor of upward integrative linkages once we control for country effects.

Country effects are important predictors of downward service provision. Swiss parties are more likely than others to have more frequent forms of downward linkage and less frequent upward linkages, while Australian parties are more likely to have less frequent downward linkages. Finally, party family matters. While party family does not predict patterns of downward resource and service provision, membership of the conservative party family predicts less frequent upward service provision. Overall, the regression models explain about 14 per cent of variance.

Cooperation

Both combined fiscal decentralization and own source revenue predict cooperation in the expected direction—the more fiscally decentralized the state and the more fiscally autonomous the subnational government, the less frequently we find forms of cooperation between state and federal parties. For combined fiscal decentralization, this holds true when controlling for left-right difference. No other predictors (including party family and country effects) are significant. Overall, the models predict over 25 per cent of the observed variance.

Autonomy

While we hypothesized that structural interdependence in the state will lead to lower subnational autonomy, we do not find evidence of such a relationship. The presence of a functional allocation of power (structural interdependence) predicts a lower degree of federal party influence in subnational party affairs, although controlling for country effects shows suggest that the variance explained by this predictor is the result of country effects. Meanwhile, the jurisdictional indicator of autonomy (exclusive state jurisdiction) is not a stable predictor. In models that include own source revenue, exclusive state jurisdiction predicts more federal party influence, while in those that include a combined measure of fiscal decentralization it predicts state party autonomy. It is not significant in any model.

There is some evidence of fiscal autonomy and decentralization operating as hypothesized. Own source revenue is associated with higher state party autonomy in a parsimonious model (adjusted R squared = 0.193). Once we control for party family and country effects, however, OSR is no longer a significant predictor of party autonomy. Combined fiscal decentralization, while associated with greater subnational party autonomy, is not significant in any models.

Finally, left-right difference is a strong predictor of subnational party autonomy. Greater policy distance between the federal and state parties predicts increased subnational party autonomy.⁸ Party family has a strong and significant effect across all models. Belonging to the conservative or liberal party family predicts less autonomy for the state level of the party.

Left right difference

We have found that left-right difference, the policy distance between the state and federal parties, can predict several forms of integration. This was expected because divergent policy positions can make cooperation difficult. We argued that the initial development of divergent policy positions is the result of opportunity and incentive. The opportunity to develop distinct policy positions occurs through the assignment of autonomous policy jurisdiction. A secondary condition is the fiscal decentralization to enable action.

The data shows that the range of exclusive state jurisdiction is indeed the strongest predictor of left-right difference between the state and federal level. This holds when controlling for party family (conservative, liberal and communist) and for country effects, none of which are significant predictors. The findings did not support the hypotheses that interdependence (indicated by a functional allocation of power) promoted a minimization of policy distance between the parties at the federal and state level. Including the functional allocation of power in the model does not improve the model fit or its explanatory power. It is not significant and is an unstable predictor.

Exclusive state jurisdiction is significant and a better predictor than fiscal decentralization or own source revenue. (The report of the regression findings in table 9 include only OSR in all models as it performs better than combined fiscal decentralization, yielding a better model fit with higher R squared and did not result in differences in direction or significance of any of the predictors).

Same different parties

The identification of subnational parties as being essential the 'same' party as their federal counterpart, with shared goals and interests was predicted to be influenced by state structure variables (the relative importance of the subnational arenas as well as structural interdependence) as well the extent of organizational linkages and cooperation.

⁸ Controlling for country effects reduces the magnitude of the effect and the significance of this predictor to the 90% level.

Own source revenue and fiscal decentralization affect shared party goals in different ways. When controlling for party family and country effects, left-right difference and jurisdictional interdependence and autonomy, higher levels of own source revenue predicts a greater perception of shared goals—the opposite of what we expected. Combined fiscal decentralization, by contrast, behaves as expected, and is associated with a weaker sense of shared goals.

The range of exclusive state jurisdiction is negatively associated with perceptions of shared party goals, as expected. Increases in exclusive state jurisdiction predict a divergence of shared party goals. However, there is no evidence that structural interdependence, indicated by the range of a functional allocation of power, predicts perceptions of shared party goals. We find significant country effects.

We also predicted that other forms of vertical integration (upward and downward service and resource provision and cooperation) would reinforce the perception of subnational parties that they share goals with their federal counterparts. There is evidence—albeit weak—that forms of vertical integration predict the perception of shared goals. Analysing the data using the regressors upward vertical integration, downward vertical integration and cooperation yielded a model that explained very little of the variance in scores (adjusted R squared = 0.022). Nevertheless, the perception of common goals increased with all three forms of integration. Only downward vertical integration was significant.

Finally, left-right difference is a significant predictor of shared party goals. When the policy distance between the state and federal parties is minimized, the state parties are more likely to consider themselves to be the same party as the federal level counterpart, with shared goals and interests. This was expected and predicted.

CONCLUSIONS

Jurisdictional interdependence, as we have measured it, does not explain vertical integration and linkages, but jurisdictional autonomy does. Either jurisdictional interdependence has little effect on party organizational linkages and autonomy between the state and federal levels or the indicators used in this research have failed to adequately capture state interdependence.

We have found no convincing evidence that the degree of interdependence in the state affects party organizational integration and autonomy. The measure of functional allocation either was not a significant predictor of various forms of vertical integration and autonomy or did not predict change in the degree of vertical integration and autonomy in the expected direction. However, this could mean that the range of functional allocation is a poor indicator of interdependence in the state. When we examined the impact of jurisdictional autonomy in the state, through the range of exclusive state jurisdiction, it emerged as the lone predictor of policy distance between the state and federal parties. It also predicts the overall identification of subnational parties as being the ‘same’ party as their federal counterpart, with shared goals and interests.

There is little evidence to support a direct causal linkage between interdependence and autonomy in the state and interdependence and autonomy in party organization. The functional allocation of power and the range of exclusive state jurisdiction do not predict the upward and downward provision of resource and services, party cooperation and autonomy. However, the findings suggest a different, indirect mechanism may be at work. Subnational policy autonomy, indicated by the range of exclusive state jurisdiction, affects the policy distance (left-right distance) between subnational and federal parties. Having a broad range of areas of exclusive policy jurisdiction gives subnational governments the ability and opportunity to mobilize issues independently. Left right distance, in turn, is a significant predictor of subnational party autonomy and shared goals between the state and federal parties.

Fiscal decentralization, posited in the literature to explain decentralized organization of political parties, can explain a low degree of vertical integration in the form of sharing of resources and services and cooperation, but does not explain policy distance between the federal and state parties or their overall identification as being essentially the same parties with shared goals.

Overall, party organizational patterns are shown to be highly context-dependent. The predictive capacity of the models is improved by controlling for party family and country. Even taking these factors into account, a large amount of variance remains unexplained. In particular, the degree of autonomy granted to subnational parties remains unexplained by both state structure or by party family or country-specific factors.

While the evidence points to a role for state structural variables in shaping the strategic linkages between federal and state parties, these organizational relationship are also influenced by a large extent by a more complex interplay of factors. The combination of particular circumstances—past organization, the personal relationships between leaders that either facilitate or hinder cooperation as well as political culture and state structure may all play a role. A mixed research design may be well suited to identifying and disentangling these influences.

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APPENDIX

Table 4: Regression results for downward service provision				
	Model 1	Model 2	Model 3	Model 4
Constant	-0.765 (.542)	-3.958* (1.774)	-1.836** (0.625)	-1.543* (0.633)
Own source revenue	10.441* (2.878)	14.834** (3.678)		
Combined fiscal decentralization			5.903** (2.027)	9.190** (2.548)
Exclusive state jurisdiction	-17.263* (6.964)	-9.129 (8.130)	-2.136 (3.058)	-12.092* (5.983)
Functional allocation of power	.683 (.823)	4.874* (2.364)		-2.150* (1.031)
Australia dummy	.674 (.425)	1.182* (0.499)	.858 (.458)	1.069 (0.463)
Austria dummy	-.424 (.383)	1.195 (0.938)	-0.030 (.330)	-0.455 (.385)
Spain dummy		1.721 (0.911)		
Switzerland dummy	-1.923** (.416)	-2.525** (0.521)	-0.855** (.211)	-0.854** (.208)
R Square	0.183	0.206	.155	.182
Adjusted R squared	0.145	0.162	.122	.144

Ordinary least squares regression. N= 134. Standard errors reported in parentheses. * and ** indicates significance at the 95% and 99% level, respectively.

Table 5: Regression results for upward service provision

	Model 1	Model 2	Model 3	Model 4
Constant	-0.186 (0.347)	-0.761 (0.542)	-0.981* (0.454)	-0.926 (-0.628)
Own source revenue	4.909** (1.296)	2.199 (2.842)		
Combined fiscal decentralization			5.610** (2.079)	1.942 (2.515)
Exclusive state jurisdiction	-14.530** (4.383)	-4.816 (6.879)	-11.363* (4.711)	-3.909 (5.906)
Functional allocation of power	1.006 (.631)	1.737* (0.829)	-0.246 (0.864)	1.139 (1.039)
Australia dummy		-0.249 (0.420)		-0.166 (0.457)
Austria dummy		0.758 (0.386)		0.751 (0.386)
Switzerland dummy		0.374 (0.418)		0.599** (0.216)
Conservative party family dummy	.800* (.322)	0.960** (0.333)	0.577 (0.322)	0.960** (0.333)
R Square	.151	.183	.107	.183
Adjusted R squared	.125	.137	.079	.137

Ordinary least squares regression. N= 132. Standard errors reported in parentheses. * and ** indicates significance at the 95% and 99% level, respectively.

Table 6: Regression results for cooperation

	Model 1	Model 2	Model 3	Model 4
Constant	-1.584** (0.335)	-1.579 (0.333)	-2.108** (0.411)	-2.166** (0.414)
Own source revenue	2.587* (1.190)	2.748 (1.187)		
Combined fiscal decentralization			4.025* (1.909)	3.975* (1.884)
Exclusive state jurisdiction	5.102 (4.141)	3.419 (4.252)	4.630 (4.336)	3.779 (4.416)
Functional allocation of power	0.724 (0.593)	0.707 (0.589)	-0.285 (0.790)	-0.164 (0.792)
Left-right difference		0.163 (0.103)		0.147 (0.102)
R Square	.272	.286	.269	.281
Adjusted R squared	.254	.263	.252	.258
N	128	128	134	130

Ordinary least squares regression. Standard errors reported in parentheses. * and ** indicates significance at the 95% and 99% level, respectively.

Table 7: regression results for autonomy.

	Model 1	Model 2	Model 3	Model 4	Model 5
Constant	-.916** (.334)	-.694* (0.335)	.334 (1.678)	-1.132** (0.406)	-0.777 (0.401)
Own source revenue	.2751* (1.160)	1.353 (1.204)	-1.217 (3.149)		
Combined fiscal decentralization				1.003 (1.714)	0.516 (1.652)
Exclusive state jurisdiction	-6.029 (4.273)	-1.684 (4.418)	-2.496 (7.308)	0.463 (4.230)	1.491 (4.133)
Functional allocation of power	2.801** (0.590)	2.353** (0.599)	1.070 (2.240)	2.802** (0.756)	2.289** (0.750)
Conservative party family		-0.807** (0.248)	-0.521 (0.267)		-0.891** (0.237)
Liberal party family		-0.310 (0.180)	-0.270 (0.186)		-0.353* (0.177)
Australia dummy			0.378 (0.453)		
Austria dummy			-0.047 (0.884)		
Switzerland dummy			0.508 (0.445)		
Spain dummy			-0.963 (0.869)		
Left-right difference	0.236* (0.99)	0.228* (0.097)	0.177 (0.097)	0.217* (0.101)	0.219* (0.097)
R Square	.213	.268	.313	.187	.262
Adjusted R squared	.193	.239	.266	.165	.233

Ordinary least squares regression. N = 158. Standard errors reported in parentheses. * and ** indicates significance at the 95% and 99% level, respectively.

Table 8: Regression results for 'same party, shared goals'				
	Model 1	Model 2	Model 3	Model 4
Constant	8.771** (0.316)	13.687** (1.442)	13.341** (2.634)	16.220** (3.296)
Own source revenue	2.034 (1.755)	79.171** (23.077)	78.367** (23.701)	
Combined fiscal decentralization				-22.440** (6.787)
Exclusive state jurisdiction	-7.927 (5.713)	-298.036** (86.146)	-293.311** (91.469)	23.554 (12.414)
Functional allocation of power			0.407 (2.591)	-0.865 (2.700)
Australia dummy		14.417** (4.120)	14.308** (4.189)	-3.142* (1.237)
Austria dummy		-2.968** (0.851)	-2.778 (1.484)	-2.778 (1.484)
US dummy		16.354** (4.964)	16.171** (5.113)	-2.594** 0.723
Spain dummy		2.459** (0.913)	2.577* (1.187)	-3.429* (1.550)
Left-right difference	-0.353* (0.155)	-0.351* (0.152)	-0.350* (1.53)	-0.350* 0.153
R Square	.056	.137	.137	.137
Adjusted R squared	.040	.102	.097	.097

Ordinary least squares regression. N = 180. Standard errors reported in parentheses. * and ** indicates significance at the 95% and 99% level, respectively.

Table 9: Regression results for left-right difference

	Model 1	Model 2	Model 3	Model 4
Constant	-0.008 (0.153)	-0.166 (0.247)	-0.189 (0.266)	0.184 (0.394)
Own source revenue	-0.695 (0.837)	-0.830 (0.855)	-0.950 (0.937)	-0.747 (1.892)
Exclusive state jurisdiction	8.826** (2.635)	10.058** (3.045)	10.735** (3.290)	8.593* (4.308)
Functional allocation of power		0.351 0.433	0.400 (0.452)	-0.148 (0.613)
Australia dummy				-0.148 0.282
Switzerland dummy				-0.107 (0.271)
Spain dummy				-0.567 (0.291)
Liberal dummy			-0.105 (0.140)	-0.135 (0.145)
Conservative dummy			0.000 (0.200)	0.044 (0.219)
Communist / socialist dummy			0.015 (0.248)	0.201 (0.266)
R Square	.149	.152	.155	.181
Adjusted R squared	.140	.138	.127	.139

Ordinary least squares regression. N = 186. Standard errors reported in parentheses. * and ** indicates significance at the 95% and 99% level, respectively.

