

Testing Publius' Federalism: Losers Consent, Winners Lament?

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“The science of politics, however, like most other sciences, has received great improvement. The efficacy of various principles is now well understood, which were either not known at all, or imperfectly known to the ancients. The regular distribution of power into distinct departments; the introduction of legislative balances and checks; the institution of courts composed of judges holding their offices during good behavior; the representation of the people in the legislature by deputies of their own election: these are wholly new discoveries, or have made their principal progress towards perfection in modern times.” *Federalist 9.*

It has been nearly 250 years since the publication of the *Federalist Papers*¹. Originally published as a series of public letters in the run-up to the constitutional convention, they remain an important philosophical argument for the superiority of federal arrangements. Indeed, beyond arguments particular to the United States, the papers persist as a case for federalism generally. Part of the reason for this, undoubtedly, is because the *Papers* are good social science: they make causal arguments, and they often specify the mechanisms which mediate these causal relationships. Our goal in this paper is to read out one effect of federalism, and to test the mechanism.²

To wit: in federal systems losers consent and winners lament. Put differently, in federal systems, the difference between winners and losers in their satisfaction with democracy is narrower than in non-federal systems. Accordingly, a more uniform level of satisfaction pertains, one neither heightened to euphoria by winning, nor reduced to desperation by losing. The mechanism which mediates this is partisanship.

Testing this proposition is made possible by one of the great advances in empirical political science, the Comparative Study of Electoral Systems (CSES). By collecting data from a wide swath of countries displaying various stages of democratic development and various institutional designs, and combining this with individual-level data, we are able to gain leverage over the interaction of individuals and institutions. By doing so, we can test one important proposition of the *Federalist Papers*.

To undertake a preliminary effort at this, this paper takes five parts. First, we briefly review previous research on institutions and evaluations of democracy. We pay particular attention to work which has been performed using CSES data. Second, we review the argument of interest. We then operationalize the relevant concepts and present our results. We conclude with a discussion of these results.

¹ We refer to the author of the *Papers* as Publius, the pseudonym under which they were originally published. The authorship of most of the papers has been determined, but for lack of confusion we refer to Publius, rather than discerning between Hamilton, Jay, and Madison.

² Bednar (n.d.)’s work in progress, *The Robust Federation*, is a great example of an extended treatment of the theoretical and empirical propositions in the *Federalist Papers*.

Institutions and Democratic Satisfaction

There is a rich empirical literature in political science on the links between institutions and democratic satisfaction. The growth in this literature has occurred principally in the last 20 years as widely-available data and theory development have converged. This work is perhaps best captured in the work of Lijphart (1984, 1994, 1999) and Powell (2000), though it neither begins nor ends with them.

Lijphart's greatest contribution, perhaps, has been to make analysts think about the different principles underlying majoritarian and consensual systems, and to think about ways to measure the comparative performance of these systems. Powell has taken Lijphart a step further, arguing that the different principles underlying these systems lead to different performance measurements. While this may make evaluations more nuanced and difficult, it does the service of highlighting that there are not only different principles at the heart of different systems, but different assumptions about the tasks individuals take up in a democracy. In one system, the input of citizens is limited to choosing a government, while in another citizen input is in the expression of policy preferences through parties. For the purposes of our analysis, it is important to note that different systems can lead to systematically different citizen compartments as outputs. That is, citizens can leave elections differently, just as they approach elections differently. And how they leave is likely to be a function of the system in which they operate.

In the short period of its existence, the CSES has contributed greatly to the study of comparative behaviour in different electoral systems. Indeed, of the more than 200 entries in the CSES bibliography, at least one in five addresses some element of democratic satisfaction in a comparative perspective. A noted example is Anderson et al (2005)'s *Losers' Consent*, in which the CSES served as the basis for much of the second half of their work, allowing for cross-national comparison of the compartments and attitudes of losers. Aarts and Thomassen (2005) perform a compelling analysis of how citizens' evaluations of accountability and responsiveness vary by electoral systems, and then how these evaluations feed into evaluations of satisfaction with democracy. Narrowing down the study of institutions to ballot design, Farrell and McAllister (2003) demonstrate how preferential voting leads to a greater sense of fairness, which leads to a great sense of satisfaction with government. For their part, Chu, Huang, and Chang (2005) have demonstrated the differing expectations of citizens depending on the stage of democratic development in their country, with citizens in developing democracies being more concerned with such things as freedom, accountability, fair treatment and human rights.

The CSES provides a platform for a wide variety of studies into democratic satisfaction. However, despite the frequent inclusion of institutional measures and considerations of "constitutional design", these studies rarely take explicit note of federalism. This is probably for at least two reasons. First, the effects of federalism on democratic satisfaction may be lumped together with other consensual institutions and arrangements. For example, the prevalence of national coalition governments is often considered to serve an equivalent function to that of federalism, namely the sharing of power and the promulgation of checks and balances (esp Lijphart 1999). As such, federalism is often

construed as one of many factors in some scale. Second, we do not have a well-developed theory about the specific interplay of federalism and individual assessments of democratic satisfaction which justifies the stand-alone consideration of federalism.

Despite this, we argue that there is a clear motivation for unpacking federalism from these models, as the relationship between federalism and other power sharing institutions is not clear. Indeed, the grand tradition of coalition governments in Switzerland can be contrasted with the absolute absence of coalition governments in Canada. And the highly disproportionate results of Britain can be contrasted with the tight vote-seat fit in the Netherlands. Federalism is a concept distinct from either proportionality or power-sharing at the national level. And pertinent to our line of inquiry, the founders saw federalism not as something which would change preferences and inculcate more consensual behaviour. Instead, it was viewed as a division of power which would limit division in the absence of consensus.³ As such, we intend to explore the effects of federalism independent of other institutions and conventions.

Losers Consent and Winners Lament

Federalism has been seen as a panacea to several ills in modern democracies: among them conflict resolution, accommodation of ethnic minorities, and the more efficient distribution of government resources (e.g. McGarry 2002, Watts 2002, Pernthaler 2002). Many, though not all, of these problems were well-identified at the time of the *Federalist Papers*, and a good many of these problems are addressed in the papers. Indeed, testing all the propositions in the *Papers* would be a fruitful course of research for many years. But, at its core, the essence of the *Papers* is that by splitting powers between different levels of government the ills of majority rule could be constrained, and the consent of the people, especially parties in the minority, can be obtained. There is, then, a trade-off: losers consent to the outcome, and winners lament some loss of power. For whom is power to be constrained, and how is this to be done?

The *Federalist Papers* are clear that the groups for whom power must be constrained are “a number of citizens, whether amounting to a majority or a minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community” (FP 10). We take these individuals to be partisans.

This early conception of federalism is not one which depends on the development of norms of reciprocity or power-sharing: “There are two methods of curing the mischiefs of faction: the one, by removing its causes; the other, by controlling its effects” (FP 10). For the authors of the *Federalist Papers*, this comes through the second, and not the first. Federalism works by “impos(ing) on local factions and insurrections, and on the ambition of powerful individuals in single States, who may acquire credit and influence enough, from leaders and favourites, to become the despots of the people...” (FP 85).

³ The *Papers* put it more eloquently: “Hence a double security arises to the rights of the people. The different governments will control each other, at the same time that each will be controlled by itself.”

We think this points towards an empirical test which would affirm the contentions of the authors of the *Federalist Papers*. First, winners, and especially those who are clearly associated with factions, should feel less satisfied in federal systems. They should be acutely aware of their inability to realise their full schedule of interests. Second, losers should generally be happier in federal systems, especially those who are associated with factions, as they should be most acutely aware of the interests of the winning faction and its inability to fully enact these interests in a federal system). As Publius observes:

Complaints are everywhere heard from our most considerate and virtuous citizens... that the public good is disregarded in the conflicts of rival parties, and that measures are too often decided, not according to the rules of justice and the rights of the minor party, but by the superior force of an interested and overbearing majority (*FP 10*).

Federalism reduces the satisfaction of the overbearing majority and increases the satisfaction of the minority. Thus, our hypothesis is as follows: In federal countries the satisfaction of winning (losing) citizens is lower (higher) than their counterparts in non-federal countries. because they know that the power wielded by winning parties is constrained.

An extension: the increased satisfaction of losers is felt particularly by partisans, who will most acutely note the policy changes that the new government is unable to implement. Similarly, the “winner’s lament” in federal systems should be most acutely felt by partisans. Accordingly, the impact of federalism is felt by both winners and losers, but more strongly among partisans.

A final point bears noting: to the extent that the authors of the *Federalist Papers* have made claims which can be verified empirically, they are making them in comparison to other possible arrangements of government, i.e. non-federal systems. Accordingly, we make our empirical assessments in a comparative framework, comparing the results across systems.

The Model

Using the first wave of the CSES, our analysis considers 16 legislative elections in 15 countries: Australia (1996), Canada (1997), Germany (1998), Switzerland (1999), Mexico (1997), Spain (1996, 2000), Czech Republic (1996), Denmark (1998), Great Britain (1997), Iceland (1999), Japan (1996), Netherlands (1998), Poland (1997), Sweden (1998) and Portugal (2002). Spain is the only country in which two elections are considered. As with Anderson *et al* (2005), we only include those countries in which a legislative election occurred apart from any other office. We focus, in short, on legislative elections which are decisive at the national level. Following the Handbook on Federal Countries (Griffiths 2002), we consider the first 6 countries to be federations.⁴ Federalism is measured with a dummy variable.

⁴ We excluded countries which did not measure partisanship in the first wave of the CSES.

The operationalization of our dependent variable is straightforward. To tap respondents' general satisfaction with democracy we rely on the question: "On the whole, are you satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the way democracy works in (country)?" We think this captures general satisfaction with democracy, and is unlikely to be affected unduly by short-term and conjectural factors. We also note that it has been employed extensively in other studies using the CSES. We transform this into a -1 to 1 scale.

Our analysis depends on the winner/loser status of individuals. Following Anderson et al (2005, esp. Chapter 8), we identify winners as those who voted for the a party which was a part of the government after the election, whether a major or a minor party. Losers are those who voted for a party which did not form the government. While Anderson *et al* make several distinctions between the types of parties voters choose based on their previous history in government we do not. We opt for a more simple analysis. We exclude those who do not vote (See Appendix 8A.5 in *Loser's Consent* for a list of parties).

We measure partisanship dichotomously: 1 for those with strong or moderately strong partisanship, and 0 for all others. We thus conceive of partisanship as independent of vote choice. While debates on both the comparative importance of partisan identification and the optimal operationalization are too extensive to review here, let us make three points. First, we believe a measure of attachment to a party is a better conceptualization of partisanship than one which relies on vote choice. Indeed, the most recent and comprehensive evidence (e.g. Green, Palmquist and Schickler 2002) falls on this side of the debate. Second, we need to have some measure of partisanship which is not perfectly collinear with whether an individual voted for the winning or the losing party. Finally, testing this proposition requires a measurement of partisanship which acknowledges that some respondents are more consistent in their identification, particularly those who identify themselves as strong or moderately strong partisans (Blais et al, 2001). Accordingly, we opt for a dichotomous measure.

From these variables, we construct our six key measures. First, Winning Partisans are those who voted for the winning party and identify with that party. Second, Losing Partisans are those who voted for a losing party and identify with that party. Losing Non-Partisans are those who voted for a losing party, but do not identify with that party. All other respondents are voters who do not have a partisan identification and who voted for a winning party. We then interact each of these variables with federalism to create three new variables. Following our hypothesis, we expect the following:

- Winning Partisan should be positive, reflecting the increased satisfaction of winning when one has strong views about the parties.
- Losing Partisan should be strongly negative, reflecting the dissatisfaction of losing when one has strong views about the parties.
- Losing Non-Partisan should be negative, reflecting decreased satisfaction in losing, but it should not be as strongly negative as Losing Partisan.

- Federalism*Winning Partisan will be negative, reflecting reduced satisfaction among winning partisans in federal countries compared to their non-federal counterparts.
- Federalism * Losing Partisan will be positive, reflecting increased satisfaction among losing partisans in federal countries compared to their non-federal counterparts.
- Federalism * Losing Non-Partisan should be positive, though not as large as the coefficient for Federalism * Losing Partisan.

In addition to our principal variables we also consider a schedule of control variables, and make some prediction about how we expect them to impact our variable of interest.

At the individual level, we control for education, measuring it on a 0-1 scale, from lowest to highest form of attainable education in the respondent's country. We measure income by quintiles on a 0-1 scale. We measure age in years, beginning at 0 for those at 18 years up to a maximum of 84. In each case, our expectation is that a higher value should increase satisfaction with democracy (Blais and Loewen, forthcoming). We also control for gender, though we have no theoretical expectation as to its effect.

We also include a dummy variable for each country, rather than including institutional measures and measures of democratic development (c.f. Blais and Loewen forthcoming). Our analysis is related principally to the multi-level nature of federalism, so we give up variables which may give us some insight into the effects of consensus or power sharing arrangements in favour of a simpler model.

Analysis

Table 1 presents our results. Recall that our variables of interest are Winning Partisan, Losing Partisan, and Losing Non-Partisan, and their interactions with federalism.

Going through our expectations in order:

- Winning Partisan is positive as expected, and Losing Partisan is negative, as expected.
- Losing Non-Partisan is negative, but it is not weaker than Losing Partisan.
- Federalism*Winning Partisan is positive, contrary to expectations. This suggests that winning partisans in federal countries are even more satisfied than their non-federal counterparts.
- Federalism * Losing Partisan is positive, suggesting that federalism increases the satisfaction of losing partisans.
- Federalism * Losing Non-Partisan is not significant.

As it relates to federalism, our results only confirm half the story: partisan losers consent, but partisan winners do not lament.

The main effect of federalism, it should be noted, is negative, leading us to believe that those in federal countries are less satisfied than those who are not, all else equal. There are at least two competing explanations for this: first, federalism may make citizens less satisfied overall. Second, federalism may be more common in countries that are more difficult to govern and where it is a greater challenge to obtain citizen satisfaction. In other words, the choice of federalism may be endogenous. We cannot easily adjudicate between these two possible interpretations. Accordingly, we simply observe the value of the coefficient and leave its explanation to future work.

Our other variables perform largely as expected: the wealthier and the better educated are more satisfied with democracy, as are men. We find no linear effect for age.

These results merit two comments. First, to the extent that we have found differences between the respondents in countries and between countries, they appear to be small. However, we do not have the tools necessary to determine whether these differences are substantively meaningful. While we can make statements about their statistical accuracy, we do not have the theory necessary to determine the political relevance of their size. If differences between individuals matter, how large do they have to be to matter to the functioning of democracy? We just do not know, and thus do not proffer a grand conclusion about the importance of these results to the long-term functioning of democracies.

Second, we have failed to affirm the general effects of federalism suggested in the *Federalist Papers*. This could be for at least three reasons. First, we have misinterpreted the propositions in the course of reading of the *Papers*. Second, we have not specified a sufficiently precise test. Third, the mechanism just does not work. It is just as likely the first and the second as it is the third. Nonetheless, our results indicate that in a federal framework partisan winners may not lament but partisan losers consent. How well this comports with the *Federalist Papers* is less clear.

Conclusion

The science of politics, arguably, has been slow in coming. Nonetheless, with advances like the CSES, we are able to engage well-measured cross-national data in the task of answering the oldest questions in political science. Thus, the simple goal of this paper: to read out one proposition from the *Federalist Papers*, to specify a mechanism, and to put it to empirical verification.

To review, we proposed to test the following: in federal systems, the gap between winners and losers is narrower because losers feel more satisfied with democracy and winners feel less satisfied, especially among partisans. Our findings confirmed only the first half of this. These results persist in the face of several controls. Whether this affirms the comparative superiority of federalism as a system which will reduce “complaints... everywhere heard from our most considerate and virtuous citizens” remains a question for the science of politics.

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Table 1 – Satisfaction with Democracy in Federal and Non-Federal Countries

	b	t	95% C.I.	
Age	0.000	0.85	0.000	0.001
Education	0.098	5.83	0.065	0.131
Male	0.035	4.71	0.021	0.050
Income	0.123	10.62	0.100	0.145
Federal	-0.077	-3.43	-0.120	-0.033
Winning Partisan	0.087	5.91	0.058	0.116
Winning Partisan*Federal	0.059	2.69	0.016	0.102
Losing Partisan	-0.029	-2.01	-0.058	-0.001
Losing Partisan*Federal	0.084	3.81	0.041	0.128
Losing Non-Partisan	-0.080	-6.02	-0.105	-0.054
Losing Non-Partisan*Federal	0.029	1.43	-0.011	0.070
Germany	-0.171	-9.38	-0.207	-0.136
Canada	-0.064	-3.02	-0.106	-0.022
Switzerland	-0.068	-3.04	-0.112	-0.024
Australia	0.060	2.94	0.020	0.100
Mexico	-0.447	-19.45	-0.492	-0.402
Czech	-0.297	-14.73	-0.337	-0.258
Denmark	0.121	7.3	0.088	0.153
UK	-0.058	-3.8	-0.088	-0.028
Iceland	-0.039	-2.01	-0.077	-0.001
Japan	-0.250	-11.05	-0.295	-0.206
Holland	0.058	3.35	0.024	0.092
Poland	-0.214	-10.98	-0.252	-0.176
Constant	0.262	13.92	0.225	0.298

N 19868

Adjusted R-sq 0.09

Prob > F 0

Dependent variable is satisfaction with democracy, measured -1 to 1. Estimates are OLS.