Social Policy De/centralisation:

What lesson can the European Union draw?

SUPERVISORS

Prof. Amandine Crespy

Prof. Efisio Gonario Espa

CO-SUPERVISOR

Prof. Maria Giulia Amadio Viceré

CANDIDATE

Giulio De Angelis

Luiss Student ID: 641772

ULB Student ID: 000512725

1

Acknowledgements

In the first place, I want to thank both my supervisors from ULB and LUISS, Professor Amandine Crespy and Professor Efisio Gonario Espa, who have provided me with support and guidance throughout all the writing of this thesis. I also thank my co-supervisor, Professor Maria Giulia Amadio Viceré, for her comments and advice. Additionally, my gratitude is directed to Professor Julie Vander Meulen, who provided me with precious suggestions during the initial definition of my research question.

My special thanks go to my colleagues and friends, especially those sharing with me this last incredible year in Brussels, for being a source of inspiration and motivation.

Finally, I want to thank my parents, my brother and my girlfriend, who have been able to support me, even from the distance.

Abstract

The research question I try to answer in this thesis is the following: is centralisation of social policies in the EU likely to happen? If so, would it be desirable? In order to answer these two questions, I adopted a model to compare the EU de/centralisation trend with the de/centralisation trends of six long-established federations (Australia, Canada, Germany, India, Switzerland, United States). For the analysis of the federations, I used a methodological framework created by a group of scholars (cited in the first chapter) studying dynamic de/centralisation in the above-mentioned six-federations. This model measures the level of legislative, administrative and fiscal autonomy of the constituent units across twenty-two policy categories and five fiscal categories. This observation is carried out from the year of birth of the federations, until 2010, in ten-year intervals. Conclusions on the drivers of de/centralisation are then obtained by comparing the different dynamic de/centralisation patterns of the six federations and testing a series of hypothesis derived from the literature. I adapted this model in order to study social policies, analysing thirteen of the twenty-two policy categories and all the five fiscal categories. I confirmed the validity of the conclusions on the basis of the new results. I also added a section to measure the consequences of de/centralisation, by confronting the variation in levels of autonomy in time with the variation in the federations' performances on a series of indicators (level of spending for health and education, unemployment rate and Gini index). In this way I obtained data on three fundamental aspects. The patterns: a general centralisation trend is observed in Australia, Switzerland and the United States, with stability and slight centralisation in Germany and India, and stability in Canada. The causes: static de/centralisation at birth, socio-cultural and socio-economic trends, collective attitudes, crises and shock and institutional factors are the main drivers. The consequences: no relevant correlation was found between autonomy scores and performance on the indicators. The same model was then applied to the EU. I analysed the levels of policy and fiscal autonomy in four years: 1990, 2000, 2010 and 2020. In this way I observed four different EU frameworks: pre-Maastricht, Maastricht, Lisbon, NextGenerationEU. The observed pattern is a centralisation, especially with the Maastricht framework and with the NextGenerationEU. The causes are confirmed to be the same observed with the federations, with particular prominence of the role of crises. The consequences of centralisation are again not evident from the indicators, with only a slightly positive correlation between centralisation of health care and higher levels of health care spending. In the last chapter I analysed three possible scenarios regarding the de/centralisation of social policies in the EU: decentralisation, stabilisation, centralisation. For each of them I determined a degree of likelihood and a degree of desirability, in order to answer to my original research question. The most likely and desirable scenario is that of further centralisation. This conclusion is obtained by considering the historical EU trend, the presence of strong centralisation drivers and the current situation.

Introduction

The European Union (EU) has been created, and is still formed, by a group of States that have chosen to give up part of their sovereignty by increasing their economic and political integration. This was considered a way of increasing the welfare of all of them, in opposition to the conflicts characterising the first half of the 20th century. They decided that generating a common governance system would have ensured peace and progress for all of them. This system has much developed in time, to the point that these States have created a customs union, a common central bank, many common regulatory agencies. Some of them even share a common currency.

At the same time, all these States have preserved most of their own peculiar traits. Each of them has its own, democratic, political system. Each of them has its own financial autonomy, even if with some external constraints. Each of them has its own army and defence policy. Each of them determines its own social policies.

This last point is the one on which this dissertation will focus. The realm of social policies is a vast one, spacing from the field of health care to that of environmental protection, from pensions to education. Social policies determine the quality of life of the inhabitants of a State. They determine the level of protection of the weakest members of the society. They determine the future prospects of youngsters. They also shape the ability of people to overcome times of crisis. Considering the founding values of the European Union, based on the protection of the weak, the improvement of life conditions and the progress of democratic societies, it comes as a surprise to see that social policies are not within its prerogatives. The historical reasons of this will not be covered in this work, but they surely would be the source of an extremely interesting research to complement the study carried out here.

The focus of this work will be on a different topic, namely the possible future prospects about centralisation of social policies. More specifically, my aim is to identify some possible scenarios, regarding the prospects of de/centralisation of social policies in the European Union, in the following decades. My research question is that of determining whether further centralisation in the realm of social policies is likely to happen and whether it would be desirable. In order to avoid a too normative perspective, the concept of desirability is defined in relation to the consequences of de/centralisation, which will be derived from the empirical evidence. Before outlining how I am going to do this, I will explain the founding motivation

behind this study.

The EU main answer to the Covid crisis has been the creation of an unprecedented emergency plan, the NextGenerationEU (NGEU). This huge stimulus package will guarantee access to loans and grants from the EU to Member States (MSs) that implement a series of policies. These policies require investments and reforms, which have to be presented by MSs through a National Recovery and Resilience Plan (NRRP), based on country-specific recommendations made by the EU. These plans have to be approved by the European Union and the obtaining of the funds is conditional on the successful implementation of them. To sum up, the EU has suggested the policies to adopt, has approved the plans and will provide the funds only if plans are fulfilled. This means that the EU has a huge influence on the policies that MSs will carry out. It goes without saying that the NGEU has triggered many debates about the necessity to centralise social policies within the EU. The NGEU can be either interpreted as an extraordinary measure, to be carried out to face the emergency, before returning to the original framework, or as the first step in a social policies centralisation process. Why is this such a controversial debate?

Social policies, as explained above, are a fundamental sphere of action of States. This is because they largely impact the life of people living in that State and they determine what kind of role the State wants to have towards its citizens. Social policies are an extremely political matter, since they are a central source of redistribution. Member States have always been more willing to give up control on technical issues rather than political ones. The reason for this is that the more political policy areas are those on which government can distinguish themselves and show to the public their ideological position. On the contrary, the EU tends to be perceived more as a technical entity, which is useful to manage practical issues, but should not interfere with political ones. In some cases, this generates a negative perception of the EU, whose interventions are interpreted as constraining the ability of MSs to implement the policies they would need.

Arguing in favour of a centralisation of social policies means pushing for a common decision-making process, guided by the EU organs. This may result, for instance, in Member States having a common immigration policy. This would solve some paradoxes created by the coexistence of different immigration policies in the EU and the right of free movement between MSs. At the same time, creating a EU immigration policy may not be so straightforward. States have different situations and necessities; they may have a pluralist position (as France) or a

multiculturalist one (as the Netherlands). Which position should prevail in case of a common policy? The answer to this question is extremely problematic to provide. These issues could be easily extended to other policy areas, as health care, welfare state or education.

The perception of the EU as a technical organ and the feeling of distrust the many EU citizens have towards it, are two sides of the same coin. Citizens trust more politicians they have voted for, which only happens nationally. Clearly, the European Parliament is elected by EU citizens, but its marginal role in the EU decision-making process makes it unable to gain the legitimacy it would need. Citizens of MSs are not willing to accept that social policies, which touch them so directly, are decided by a technical organ to which they have not expressed their preferences and which they have not directly approved.

What really makes centralisation of social policies a relevant issue is the fact that, as outlined in the very beginning of this introduction, the EU is characterised by strong centralisation in some extremely relevant fields, and maximum MSs autonomy in others. For this reason, an imbalance is created by the actual framework, where national policies and european policies are intertwined. The problem is that this two-layer system is not structured on the basis of coherent and rational criteria, but rather just results from the bargaining between the EU and MSs. In some policy areas, the EU has succeeded in gaining control, while in other areas the States have been more reluctant to cede sovereignty. This is evidently not a feasible criterium to determine the division of competences.

This thesis results from the willingness to tackle this controversial debate with an empirically based approach. My primary objective is to find evidence suggesting the most likely evolution of social policies, with an additional assessment of the potential consequences of it. This is because I consider the ideological debate around this issue as stuck in a gridlock, where none of the two sides of the dispute is able to succeed. This is typical of highly political and ideological debates. People with a certain vision of the role of state and a certain conception of sovereignty, are unlikely to agree with people having a different conception. My proposal to adopt an evidence-based approach tries to overcome this difficulty.

The central idea behind this work is that a future with further EU centralisation, in the field of social policies, is in line with a federalist perception of the EU system. This does not necessarily mean that the EU can be technically defined as a federation, but that its functioning, especially in case of further centralisation, can be compared to that of federal systems. The second step in

this reasoning is assuming that the EU may learn a lesson by observing the historical patterns that long-established and consolidated federations have followed in their evolution, with regard to the levels of centralisation of social policies. The potential identification of a trend shared by the various federations studied will suggest a tendency of federal systems to move in that direction. Furthermore, this will imply that a certain degree of likelihood and desirability of a centralisation scenario could be derived.

This work is divided in four chapters. In the first one I introduce the concepts of centralisation and decentralisation, describing the various aspects that define them and investigating the main positions in the literature with regard to de/centralisation in federal systems. After that, I present the model I use to carry out this analysis. The model is the one elaborated by Dardanelli, Kincaid, Fenna, Kaiser, Lecours, Kumar Singh, Mueller and Vogel, who conducted a study on dynamic de/centralisation in federal systems. These federations are observed in ten-year intervals, from their birth until 2010. In each time interval, the authors observe the level of de/centralisation of twenty-two policy categories and five fiscal categories. For each of them, the authors assign a score, from 1 to 7, to the level of legislative, administrative and fiscal autonomy of the constituent units (where 1 is the minimum level of autonomy and 1 is the maximum). I keep their same sample, composed of Australia, Canada, Germany, India, Switzerland and the United States. Since the original model is intended to obtain a comprehensive study of the federations, it covers all policy fields. For this reason, in the first chapter I also explain how I had to modify the methodological framework in order to adapt it to a study of social policies only. The main difference is that I analysed only thirteen of the twenty-two policy areas, namely those relating to the field of social policies.

Moving to the second chapter, here I carry out the analysis of the six federations. My aim is to obtain the de/centralisation trends of social policies and compare them with the trends for all policies, obtained by the authors of the study. In this way, by considering the divergence of results, I am able to assess whether the conclusions of their study still hold true for the social policies realm or need to be modified. A central element of the conclusions is the identification of the main drivers of de/centralisation, which is possible through a comparison of the differences between the six federations. To these conclusions I add an analysis of the consequences of de/centralisation, by comparing the patterns followed by the federations, with their performances in time on a series of indicators (unemployment rate, health care spending, education spending and Gini index). In this way, I obtain the three elements I need in order to

provide an empirically based assessment of social policies centralisation: the historical patterns, their causes and their consequences.

In the third chapter I move to the observation of the EU. I analyse its de/centralisation pattern by observing four years of reference. In 1990 I assess the pre-Maastricht framework, in 2000 the EU after Maastricht Treaty, in 2010 the EU after Lisbon Treaty and finally, in 2020, the EU with the NextGenerationEU. In this way I am able to keep the ten-year intervals of the original model and I observe the changes in levels of de/centralisation corresponding to the main treaties shaping the EU system. Again, after having obtained the EU pattern, I use the above-mentioned methods to determine causes and consequences of it.

In the last chapter, once having collected all the necessary elements, I try to answer my research question, namely whether a centralisation of social policies in the EU is likely to occur and, in case of it happening, whether that would be desirable. To do this I identify three possible scenarios: a decentralisation of social policies, a stabilisation and a further centralisation. For each of them I derive a degree of likelihood and a degree of desirability. The former is mainly based on the causes of de/centralisation. The idea behind this is that, having identified the main drivers of centralisation and decentralisation, I can observe the current EU situation and determine whether this drivers are present or not. Regarding the degree of desirability, my main reference point are the effects of de/centralisation on social policies. These consequences are derived from the performances of the EU on a series of economic and social indicators. In both cases, I also take into account the lessons learned by the patterns of the six federations and by the EU history.

The conclusions I obtain are clearly limited by the limited scope of this empirical study. Nonetheless, this scope is still sufficiently broad to capture the most relevant factors and most importantly, to support them with evidence. I hope that this perspective proves to be a fruitful addition to the too ideological debate around the issue of centralisation.

1 De/centralisation of Social Policies: a Framework for Comparative Analysis

In this initial chapter I will introduce the content of this dissertation, explain the reasons behind it and show the structure it will have. The methodology will also be presented here, with the definition of the main concepts and the operationalisation of the variables under study.

1.1 The Reasons for this Work

In the last decades, the European Union (EU) has become a central institution in the lives of all the citizens of its Member States (MSs). Its influence on MSs has increased in the last decades, as many scholars have explained, showing that this increase in EU role regards different dimensions, as the political or financial ones. Puetter (2012) defines the European Council as the "centre of political gravity", highlighting its central influence in political decisions among different states. Donnelly (2010) discusses the phenomenon of the development of European regimes, which enhances the role of the EU. Macartney (2010) focuses on the strong financial market integration started in the 2000s. Evidently, this suggests that the political debates around the EU functions and scope take place daily in our societies. One of the central issues on which citizens, experts and parties clash, is the distribution of power within the EU system. In particular, the debate revolves around the competences the European organs should have and the extent to which they should be able to influence and shape the policies of MSs. In other words, the debate is around the centralised or decentralised nature that the European Union governance should have.

It goes without saying that there is no single, univocal kind of interaction connecting the EU with its MSs. Indeed, the EU can act through different types of legal acts[1], ranging from the binding regulations, directives and decisions, to the non-binding recommendations and opinions. Furthermore, on the basis of the "principle of conferral", the EU is competent only when its founding Treaties say so. These competences are of three kinds: exclusive, shared and supporting[2].

---

[1] European Union (2020) *Regulations, Directives and other acts*, *European Union*. Available at: https://europa.eu/european-union/law/legal-acts_en (Accessed: 12 August 2021).

[2] *EUR-Lex* (nd). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Aai0020 (Accessed: 12 August 2021).

Given this complex framework, it is evident that a deeper analysis of EU-MSs relations requires identifying a more specific dimension and focusing on that. The dimension I will investigate in this work is the one of social policies, an area on which the EU has just some shared competences[3]. Indeed, social policies are mainly in the hands of Member States, with the European Parliament and the Council just able to adopt measures to support and complement national policies in certain areas. The EU can also use directives to impose minimum requirements in a series of policy fields. Given this premise, aimed at providing the general context, we can move to the specific content of this work.

1.2 Research Question and Structure

Before explaining the research question and the structure of the work, a preliminary clarification is necessary: why social policies? First of all, in order to conduct a study on EU centralisation, is evident that we should focus on areas in which further integration is possible, namely policies for which Member States still enjoy a great deal of freedom. As mentioned above, social policies fit this category. Additionally, social policies are a central element of the EU, considering the integration spirit behind this institution. As Dodo (2014, p.52) argues, "Social Europe is as important as Market Europe if one is to fully understand the European integration construct". The second reason for choosing social policies over other areas is the symbolic relevance of them. What I mean with symbolic relevance is that, regardless of the impact they concretely have on citizens, they are the ones with the most political prominence. This is to say that social policies are the best way in which the European Union can express its values and principles of human dignity, freedom, equality, solidarity, democracy and rule of law, as expressed in the Preamble of the Charter of Fundamental Rights of the European Union[4]. Furthermore, people are likely to be more interested in policies whose effects can be directly observed. Indeed, an individual is much more likely to be interested in measures to counter unemployment or to improve pension systems or health care rather than in regulations on State Aid, customs union or budgetary constraints. For all these reasons, this policy category seemed the perfect candidate for this study.

---

[3] *EUR-Lex - Glossary of summaries* (nd). Available at: https://eur-lex.europa.eu/summary/glossary/social_policy.html (Accessed: 13 August 2021).

[4] European Union, *Charter of Fundamental Rights of the European Union*, 26 October 2012, 2012/C 326/02, available at: https://www.refworld.org/docid/3ae6b3b70.html (Accessed 13 August 2021).

The question I will try to answer in this dissertation is the following: "Is centralization of social policies likely to happen in the European Union? Would it be desirable?". It is a twofold question, aimed at capturing both a "degree of likelihood" and a "degree of desirability". The idea is to identify some possible scenarios, and for each of them to investigate the probability of it happening and the possible benefits for the EU countries. How is this done?

This work can be divided in two macro-areas, the first propaedeutic for the understanding of the second. In the first part, I analyse the de/centralisation history of some long-existing and consolidated federations, with reference to social policies. This analysis is done with the aim of understanding three aspects: what happened (the trajectory), why it happened (the drivers) and which were the consequences (the benefits or costs). The model used to analyse the federations is described later in this chapter.

In the second part of the dissertation the information gained through the study of the federations is used to assess the EU trajectory and answer the research question. The comparative study involves six federations, with specific characteristics in order for them to be a better comparison tool for the EU (more on the sampling method later). For this reason, the results and the methodology can be applied, with the necessary adaptation, to the study of the EU system. Regarding the determination of the degree of likelihood, the procedure will be the following. The study of federations provides us with certain trajectories and the relative causes, so an analysis of the current EU trajectory and the potential presence of the drivers of de/centralisation allows us to make predictions about possible developments. More specifically, we are only interested in the scenarios in which a centralisation occurs, so the scope is slightly more limited. Moving to the degree of desirability, the idea is to observe the positive or negative effects of centralisation in the six federations studied. On this basis, we can associate a certain level of benefit to each of the scenarios. In order to avoid a too normative perspective, the benefits will be based on the observation of various indicators, in order to measure the performances of the various federations in different social policy areas.

Provided the structure of the work, we can now move, in the next section, to the definition of some important concepts, starting from the one of de/centralisation itself, the understanding of which is clearly fundamental for this work.

1.3 Defining De/centralisation

The concept of de/centralisation is clearly paramount in the federalist literature, being the

central point of reference in the assessment of the relations between the different levels of government. However, if we want to talk about de/centralisation, especially if we are willing to measure it, a clear definition of what we mean with the term is fundamental. As a first thing, I want to highlight that in this work I will use, in most cases, the terms "centralisation", "decentralisation" and "de/centralisation" interchangeably. Being centralisation and decentralisation the two possible directions of the same kind of process, it makes sense to use both terms when referring to the process itself. In other cases, however, the use of a specific term is required, as will be clear from the context.

1.3.1 The notion of de/centralisation

The first step to follow is trying to understand the very essential notion of de/centralisation. What do we mean when we talk of de/centralisation of a system? The World Bank (2008, p.3) defines "decentralisation" as a "transfer of administrative and financial authority and responsibility for governance and public service delivery from a higher level of government to a lower level". If we search for "decentralisation" in the Merriam-Webster Dictionary, it is defined as "the dispersion or distribution of functions and powers" or, when specifically referring to a government, "the delegation of power from a central authority to regional and local authorities"[5]. A series of other definitions is provided by Yuliani (2004), who shows how wide and variegated the use of this term is, by collecting and comparing the perspectives of many scholars in the field. However, after looking at all these conceptions of the term, we can synthetise the two focal elements of the concept. Firstly, the presence of a form of power, which may be of different kinds: a prerogative, a control function, the decision-making ability, a form of responsibility or accountability, and many more. In the second place, there must be the transferral, in different possible forms (as we will see in the next paragraph), of part of this power to a lower level of the system. This lower level typically consists of regional or local entities. However, a State itself may be the lower level, as is the case when we are facing a federation. Clearly, the opposite case of centralisation occurs when the just mentioned shift of power is upwards.

1.3.2 Forms of de/centralisation

---

[5] Merriam-Webster Dictionary. (online) *Definition of DECENTRALIZATION* (nd). Available at: https://www.merriam-webster.com/dictionary/decentralization (Accessed: 26 July 2021).

In this case we will focus on decentralisation, since the definitions use it as a reference point. Anyway, the logic of each form of decentralisation applies also to centralisation. Decentralisation can also take different forms. Again, we can refer to the typology presented by Yuliani (2004), who collects a series of definitions by different scholars. The first kind of decentralisation is called "deconcentration", namely the case in which the shift of authority takes place within the central government. Even when a geographical dispersion occurs, it regards central authority officials, located in the provinces. We can say that deconcentration is a softer form of decentralisation, since it does not really increase the power of local entities, it is mainly an administrative process. It is typical of unitary States, with France being an example of it (De Montricher, 1995). The second form of decentralisation is the "devolution". In this case the movement is from one level of government to another, and it regards the transfer of governance responsibility for specified functions (Ferguson and Chandrasekharan, 2011) or of specific decision-making powers (Gregersen et al., 2004). Lastly, the third kind of decentralisation we may witness is the "delegation". In this latter instance, the transfer is not of governance responsibility, as with devolution, but of managerial responsibility (Ferguson and Chandrasekharan, 2011), it implies the shift of responsibility and authority (Gregersen et al., 2004). The devolution implies more discretion with respect to the delegation, it provides the lower level with more freedom of action. As Bresser-Pereira (2004) explains, devolution is "a political decision, with managerial consequences", it is "a response to demands for more local or regional autonomy".

When studying decentralisation, one may meet different forms of it. The model adopted in this research is designed in such a way that it is able to capture all these possibilities, when present.

1.3.3 Dimensions of de/centralisation

When discussing about levels or degrees of de/centralisation, we usually refer to the de/centralisation of a system as a whole. For instance, we may say that a federation is extremely centralised, or that it is undertaking a rapid centralisation (we will discuss the distinction between the two uses of the term in the next paragraph). However, the de/centralisation process is not something that is evenly distributed in all the dimensions of the system, it does not equally affect all the elements of it. In a federation we may have, at least in theory, the legislative function completely in the hands of local governments, while the financing and the control may be extremely centralised. For this reason, when trying to determine whether a system is centralised or not, we need to deepen a bit our focus, and concentrate on some specific dimensions. Which are the relevant dimensions to consider?

Many scholars have developed their own conceptual frameworks, identifying some relevant dimensions. Watts (2008) identifies three elements: administrative, financial and legislative. Dardanelli et al. (2019), when measuring the autonomy level of a constituent unit, just refer to the policy and fiscal autonomy, with the former including both legislative and administrative aspects (this is the reference model for my work). Another classification is the one provided by Gregersen et al., who identify four types of decentralisation: political, administrative, fiscal and market. In her study of decentralisation in Brazil, Tavares de Almeida (2006) uses, as a reference point for her analysis, two sets of policy issues related to two fields: the regulation of fiscal relations between national and sub-national governments, and the redefinition of the responsibilities for the provision of social services. In addition to these models, many more can be found in the literature. Anyway, this limited list is sufficient to show that, apart from minor distinctions, there are three main dimensions all scholars take into account, which are the ones exemplified by Watts' typology: legislative, administrative and financial.

Firstly, the legislative or political one, regarding the decision-making power. In this case we should pose ourselves questions as: who develops the policies? Which policy areas are in the hands of the central government? Which policy areas are controlled locally? The second dimension is the administrative one, regarding who provides the services and who holds responsibility. The fundamental questions in this area are: who is entrusted with the implementation of the policies? Who bears responsibility? Which entities are accountable for the results? The third and last dimension is the financial or fiscal one. Here the questions are: who collects taxes? Who decides how to spend the money? Are there money transfers between different levels?

Thers is no need to say that these three dimensions are not to be considered as completely separated and uncorrelated. On the contrary, they are deeply interrelated, since they are the fundamental elements of an organic system. A strong fiscal decentralisation, for instance, is extremely likely to lead to more legislative and administrative decentralisation. The reason for this is simply that, if a local government is able to collect its own taxes and control the way this money is spent, it is bound to exert a minimum level of influence on the content of policies and on how they are handled and implemented.

1.3.4 Static and dynamic de/centralisation

Another important distinction is that between de/centralisation as a state and de/centralisation as a process, which can be respectively defined as "static" and "dynamic" de/centralisation

(Dardanelli et al., 2019). With the first term, we refer to the level of de/centralisation a system presents in a specific moment in time. Being de/centralisation not a black or white concept, we can't just argue that a system is either centralised or decentralised. Instead, we need to identify different degrees of it. The reason for this is that de/centralisation is a "multifaceted" phenomenon, as Mueller (2011) defines it, namely it regards many different dimensions, as explained in the previous paragraph. So, when we aggregate these dimensions, in order to provide a general assessment of a system, we are bound to obtain a nuanced result.

On the other hand, when we talk of dynamic de/centralisation, we are looking at the process that a system has undergone in a given period of time. A longitudinal study is able to capture dynamic de/centralisation, while a cross-sectional one will measure static de/centralisation. This distinction is important to avoid confusion, since the presence of a decentralisation trend, does not necessarily imply that a system is highly centralised. Indeed, a system may be defined as fairly centralised (static conception), but it may be undergoing a decentralisation process (dynamic conception). At the same time, following the same logic, a decentralised system, may be undergoing a centralisation process. Keeping this in mind is fundamental when making comparative studies. The fact that State A has undergone a rapid decentralisation process, while State B has kept its equilibrium, does not necessarily imply that State A is more decentralised than State B.

1.3.5 Drivers of de/centralisation

In the last century, we have witnessed some general de/centralisation trends. Many scholars argued that, in the first half of the 20th century, the general tendency in federations was towards a centralisation process (Corry, 1941; Wheare, 1946; Sawer, 1969; Duchacek, 1970; Davis, 1978). On the contrary, since the 70s, many systems, especially OECD countries, are undertaking a decentralisation (Ansell and Gingrich, 2003; World Bank, 2008; OECD, 2019). For Oates (1972, p. 230-237) this latter trend was due to an increase in intergovernmental responsibility when providing public services. Anyway, there is no consensus on the presence of a specific and diffused trend in the last decades, especially because different results are obtained if we analyse different dimensions (ex. legislative and administrative). However, this is not a problem for us, since, even though the investigation of a general trend is an interesting approach, the main objective of this work is to understand the main reasons for de/centralisation, so that the possible scenarios for the European Union can be identified on the basis of its actual state. For this reason, in this paragraph I look at the main drivers of de/centralisation identified in the literature, with the aim of observing them with reference to

the countries selected for the comparative analysis.

The de/centralisation of a system is clearly a complex and encompassing phenomenon. Therefore, a large variety of factors contribute to making it happen. Nonetheless, within all these elements, some tend to be preponderant, at the point that we can consider them the main driving factors. These prominent factors are not bound to be the same in different systems. Indeed, each de/centralisation process may be led by a different force, may it be of a political, social or economic nature.

The European case is a perfect example of the role played by socio-economic factors. In the post-war decades, most European States developed welfare systems whose main role was to compensate for the incidental lack of the market and family systems (Taylor- Gooby, 2004) However, as explained also by Kazepov (2010), a series of structural changes since the end of the 1970s, undermined the effectiveness of these social policies. These structural changes consisted mainly of uncertain growth rates and greater job insecurity. As a consequence, the existing system, tailored on certain specific and quite stable needs, had to be changed. This change took the form of a territorial re-organisation of social policies. In this case, a shift in the equilibrium of the socio-economic dynamics caused a shift in the overall organisation of the system. Clearly, a decentralisation was not the only possible outcome, other solutions may have been implemented. Anyway, for the moment, we are just interested in observing which are the possible drivers of decentralisation.

Given this general smattering derived from the literature, we will identify some specific drivers through our reference model. These drivers will be particularly fitting for us, since they are tested for the six federations under study. In this way, the triggering factors to use for the EU analysis are obtained. In the next paragraph we look at the possible consequences.

1.3.6 Benefits and costs of de/centralisation

As it was the case with the drivers in the previous paragraph, the positive or negative consequences of decentralisation will be obtained by the analysis of the federations under study. However, a preliminary literature analysis is useful to get a general overview of the topic. Most studies focus on decentralisation rather than centralisation, but the lessons we derive from them are nonetheless useful.

The World Bank (2008), in its evaluation of its own support to decentralisation policies in client countries, between 1990 and 2007, identifies one "key desired result": "fiscally responsible,

responsive and accountable subnational governments" able to "improve service delivery and governance". As the WB itself notices, the principle of subsidiarity can often be found behind decisions of decentralisation for service delivery. The Oxford English Dictionary defines subsidiarity in politics as "the principle that a central authority should have a subsidiary function, performing only those tasks which cannot be performed at a more local level"[6]. The underling idea behind this principle is that a task should be performed at the lower level possible, with a shift upwards only in case of necessity. This is often considered as the more democratic option, since it allows institutions to be closer to citizens, making participation easier. Additionally, even in a non-democratic context, local entities are supposed to be more efficient in acting on their territory, for the simple reason that they better know the local specificities and peculiarities, so they can adapt policies and tasks in a way that a central government would not be able to. The principle of subsidiarity has particular relevance in the EU context, since it is present in Article 5 of the Treaty on European Union[7], which, in synthesis, states that the Union shall act only when MSs are not able to do so properly (clearly this is limited to areas outside the EU exclusive competence).

Decentralization allows for greater local autonomy, which may lead to a balancing of resources in different territories, or to the increase of inequalities between territories (for instance due to the different attitudes of local elites). A series of positive results have been found with relation to education in many countries, by different authors (Eskeland and Filmer, 2002; Galiani and Schargrodsky, 2001; Winkler and Gershberg, 2000). So, one of the possible benefits is the addressing of inequalities, which can be particularly relevant for us, since we are interested in social policies. On the other hand, the opposite may happen, as in the case of more diffused corruption, as von Braun and Grote (2000) showed.

This latter point on corruption can be considered a good argument in favour of centralisation. The reason is that a central government may try to fight corruption by centralising the management or implementation of central policies. As a matter of fact, corruption may not be

---

[6] Lexico Dictionaries. *Definition of SUBSIDIARITY* by Oxford Dictionary on Lexico.com English. Available at: https://www.lexico.com/definition/subsidiarity (Accessed: 17 August 2021).

[7] *EUR-Lex - 12008M005 - EN* (nd) *Official Journal 115 , 09/05/2008 P. 0018 - 0018;* OPOCE. Available at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12008M005:EN:HTML (Accessed: 17 August 2021).

the only reason for such choice, since a general inefficiency or unreliability of local entities can lead to a centralisation. The NextGenerationEU (NGEU) can be considered an example of this, even if the reasons behind this plan are clearly numerous (we will discuss this in the EU chapters).

All the elements and notions discussed in this section should be useful to gain an at least superficial grasp of the topic at stake. Given this starting point, we can move to the precise methodology that this work will adopt.

1.4 How to Measure the De/centralisation of Social Policies

All the definitions and aspects of de/centralisation presented in the previous section were needed to understand the complexity of the concept and all its declinations. However, this variegation of concepts becomes detrimental when it's time to apply them empirically. The issue is that, as Page and Goldsmith highlight (1985, p.176), "the terms 'centralisation' and 'decentralisation' are not themselves operational concepts". The puzzle of operationalising de/centralisation is made especially complex when mixed with the necessity to carry out a comparative analysis, since the methodology has to fit different contexts. As we have seen in the previous section, there are many dimensions on which de/centralisation takes place and different forms in which it manifests itself. For this reason, the framework we can develop for a specific federation, may be quite different from the one best fitting another federation. As a consequence, the adoption of a comparative perspective for this kind of study is almost compulsory. In light of these difficulties, the importance of having a good conceptual and methodological framework is paramount. Luckily, there are scholars who have already made the extremely valuable effort of developing such a framework, so this study will hinge on their work. In particular, I have identified one model that perfectly fits the purposes of this work, which I will present in this section.

1.4.1 Causes and consequences of de/centralisation

Before explaining the model, a preliminary distinction has to be made. Since the aim of this section is exactly that of carrying out a clear selection of the variables to study and functional ways of measuring the phenomenon we are interested in, the first step is to distinguish between the two broad areas of interest of this dissertation: the causes of de/centralisation and the consequences of de/centralisation. These two macro areas, which I have introduced in the previous section, will be investigated both in the analysis of the federations and in the discourse about the European Union. Indeed, in the second chapter, after analysing the trajectories of the

different federations, we will focus on understanding the reasons and the consequences of them. Regarding the EU, the two concepts will be declined in the following way. In the third chapter I will look at the historical pattern, emphasising the central factors causing the transformation of the EU system and the consequences of this transformation. Then, in the fourth chapter, I will identify some possible scenarios, each associated with a degree of likelihood and a degree of desirability. This latter assessment of desirability will be based on the expected benefits of certain developments, which will be partially derived by the experiences of the federations studied in chapter two.

1.4.2 The original model

The methodological approach adopted in this work is based on the model developed and adopted in the project "Why Centralisation and Decentralisation in Federations? A Comparative Analysis"[8]. This project led to the creation of the De/centralisation Dataset (DcD), which collects, among other things, the papers of the authors involved in the project, where the methodology and the findings are presented, and the dataset used in their work. There is no need to say that both sources have been of paramount value for this work. Dardanelli, Kincaid, Fenna, Kaiser, Lecours, Kumar Singh, Mueller and Vogel are the scholars involved in the project and the authors of the various papers I will refer to. The work by Dardanelli et al. (2019) tries to analyse the whole dynamic de/centralisation process of the federations studied, while this dissertation's scope is limited to the field of social policies. For this reason, in this paragraph I will show the original model and in the next paragraph I will explain how it has been adapted to my work.

1.4.2.1 Design of the work

Before showing the model used in my research, it is useful to briefly describe the original design of the methodology adopted in the above-mentioned project, explained in their paper "Conceptualizing, Measuring, and Theorizing Dynamic De/centralization in Federations" (2019)[9].

As a first step, they distinguished dynamic and static de/centralisation, in the same way I did in the previous section. The empirical research was carried out measuring levels of static

---

[8] *The De/Centralisation Dataset*. Available at: https://de-centralisation.org/ (Accessed: 9 August 2021).

[9] All citations in this subparagraph will refer to this paper.

de/centralisation in different years, with a ten-year interval, for each country in the sample. These levels were measured across twenty-two policy categories (legislative and administrative) and five fiscal categories, coded in order to form a seven-point scale. Dynamic de/centralisation was later measured simply by computing a series of statistics on the score differences between the different years. For static de/centralisation the following statistics were computed: mode, mean, standard deviation and deviation between the legislative and administrative dimensions. The statistics for dynamic de/centralisation are: total, modal and mean frequency of score change for all categories and in the aggregate, direction of change, magnitude of change, cumulative direction and magnitude of change for all categories and in the aggregate, mean rate of score change per year. I included almost all of these statistics.

The next step was the sample selection, which included federations meeting three criteria: being long-established, constitutionally stable and continuously democratic. This resulted in the selection of six federations: Australia, Canada, Germany, India, Switzerland and the United States. I decided to adopt the same sample, since these selection criteria are perfectly in line with the purpose of my study. Indeed, my original idea of the European Union "learning" from existing federations was based on the conception of a having a relatively new system, still in the formation process, exploiting the experiences of long-established systems in order to learn valuable lessons. Secondly, the democratic character is necessary to exclude federations not in line with the EU values. Lastly, stability at the constitutional level is fundamental for the validity of the research, since the presence of constitutional shifts would be a plausible explanation for changes in the levels of de/centralisations, undermining the relevance of the other explanatory factors.

The following step was the coding of de/centralisation, based on content analysis, data and scholarly studies. The coding aims to "capture the distribution of power between the constituent units and the central government along seven-point scales" (p.7), where 1 is the minimum autonomy and 7 is the maximum autonomy. Even though the coding was mainly based on individual judgment, it underwent a validation both by the research team and by eternal independent experts. The objective was that of measuring the increase or decrease of legislative, administrative and fiscal autonomy in a series of categories. As previously mentioned, the authors identified twenty-two policy categories, for the legislative and administrative dimensions, and five fiscal categories. In the next sub-paragraphs, I will explain how I modified these categories for my work.

The last step was that of identifying some patterns and use them to assess a series of explanatory hypothesis derived from the literature. This latter work is presented in their case-study papers and in the concluding paper "Dynamic De/centralization in Federations: Comparative Conclusions" (2019).

After explaining the procedure, we need to clarify the content of some of the concepts used in the study.

1.4.2.2 Policy and fiscal autonomy

Firstly, the policy and fiscal autonomies. The former is divided in legislative and administrative, which respectively capture the ability of the constituent unit to control primary legislative powers and to implement legislation. The seven-point scale measures who controls the policy field: 1 = exclusively the central government; 2 = almost exclusively the central government; 3 = predominantly the central government; 4 = equally the central government and the constituent units; 5 = predominantly the constituent units; 6 = almost exclusively the constituent units; and 7 = exclusively the constituent units.

Regarding fiscal autonomy, five sub-dimensions are identified. The first is the proportion of own-source revenues out of the total combined constituent unit and local government revenues. The greater this percentage, the higher the autonomy of the constituent unit. The scale is the following: 1 = 0–14 percent; 2 = 15–29 percent; 3 = 30–44 percent; 4 = 45–59 percent; 5 = 60–74 percent; 6 = 75–89 percent; and 7 = 90–100 percent. The second sub-dimension relates to the restrictions a constituent unit faces in raising own-source revenues. This is the scale for the second sub-dimension: 1 = very high; 2 = high; 3 = quite high; 4 = medium; 5 = quite low; 6 = low; and 7 = very low. The third sub-dimension is the proportion of conditional grants out of the total combined constituent unit and local government revenues. The higher the fiscal autonomy of a constituent unit, the lower its dependence on conditional grants from central government. The scale is the following: 1 = 86–100 percent; 2 = 71–85 percent; 3 = 56–70 percent; 4 = 41–55 percent; 5 = 26–40 percent; 6 = 11–25 percent; and 7 = 0–10 percent. The fourth sub-dimension is the "degree of conditionality". It measures the scope and stringency of the conditions attached to the central government's grants. The higher the conditionality, the lower the autonomy, so this is the resulting scale (same as second category): 1 = very high; 2 = high; 3 = quite high; 4 = medium; 5 = quite low; 6 = low; and 7 = very low. The fifth and last sub-dimension measures the freedom a constituent unit has in raising revenue through borrowing, the higher this freedom, the higher the fiscal autonomy. The scale in this case is the

following: 1 = very low; 2 = low; 3 = quite low; 4 = medium; 5 = quite high; 6 = high; and 7 = very high.

1.4.2.3 Properties of dynamic de/centralisation

The second aspect to treat after the policy and fiscal autonomies are the five properties of dynamic de/centralisation: direction, magnitude, tempo, form and instruments. "Direction" tells us if a centralisation or decentralisation is happening, namely if we are moving from higher to lower values or vice versa. "Magnitude" measures the distance between the initial and final value. "Tempo" includes four aspects: frequency, is the number of instances of a change; pace, is the frequency considering the magnitude; timing, is the moment in the federation's life in which change occurs; sequence, is the temporal order of changes in different dimension. The fourth property is "form", which tells us if the change has happened in the policy or fiscal area. Lastly, "instruments" identifies five non-constitutional instruments of change: legislation, court rulings, fiscal instruments, international treaties, coerced horizontal joint action (different constituent units have to cooperate). In my adaptation I will refer to frequency, magnitude and direction.

1.4.2.4 Hypotheses

The last important part is the definition of the hypotheses. These are of great relevance for my work, since they allow me to identify the drivers of de/centralisation. The authors identify various explanations for de/centralisation and classify them in seven categories: antecedents, socio-economic trends, socio-cultural trends, economic and security shocks, collective attitudes, political agency and institutional properties. They derive twenty hypotheses, belonging to the seven categories, which I will list here below. The theory and the discussion behind each hypothesis can be found in the original paper (Dardanelli et al., 2019, p.14-22).

Antecedents:

> H1a: other things being equal, the United States, Switzerland, Canada, and Australia had lower static centralization at birth than did Germany and India.

> H1b: given their lower centralization at the outset, other things being equal, the United States, Switzerland, Canada, and Australia will have experienced greater dynamic centralization by 2010 than Germany and India.

> H1c: the older federations will have experienced the bulk of their dynamic centralization after 1920.

Socio-economic trends:

H2a: other things being equal, federations are likely to become more centralized over time as a result of these broad economic and social trends. Centralization is particularly likely to be observed in defense, economic regulation, education, environmental protection, finance and securities, law, media, and transport.

H2b: other things being equal, federations are likely to have experienced more centralization since World War II as a result of globalization. The principal instrument of such centralization is the central government's use of its international treaty powers.

H2c: as regional integration has been most advanced in Western Europe, much less so in North America and largely absent in South Asia and Oceania, other things being equal, Germany and Switzerland will have experienced the strongest effect of this factor, India and Australia the weakest, and Canada and the United States a medium-strength effect.

H2d: other things being equal, Canada—the only multinational federation among our cases (see below)—will have experienced less centralization and possibly even decentralization as a result of regional integration compared to the other five federations.

Socio-cultural trends:

H3a: other things being equal, Australia, Germany, India, Switzerland, and the United States will have experienced centralization as a result of citizens' identification shifting toward the federation, while Canada will have experienced the least extent of centralization, or even decentralization, particularly since 1950, as a result of bi-nationalism.

H3b: other things being equal, federations are likely to experience centralization as a result of citizens' changing expectations of the role of government.

Economic and security shocks:

H4: other things being equal, federations are more likely to experience centralization during economic or security shocks, and such centralization will manifest itself particularly through fiscal instruments.

Collective attitudes:

H5: collective attitudes toward de/centralization will have changed as a result of economic, social, and cultural trends and created conditions for political actors' agency.

Political agency:

H6a: other things being equal, Australia, Germany, and the United States will have experienced the highest centralization, India and Switzerland a medium level, and Canada the least centralization, or even decentralization, as a result of the varying degree of nationalization of their party system.

H6b: other things being equal, centralization is more likely to occur when parties of the left control the central government, whereas decentralization is more likely to occur

under parties of the right.

H6c: other things being equal, centralization is more likely to occur under the watch of a centralist constitutional/supreme court.

Institutional properties:

H7a: other things being equal, Australia, Canada and, to a lesser extent, Germany will have experienced less centralization than Switzerland, India, and, especially, the United States on account of their fewer constituent units.

H7b: other things being equal, Australia, Germany, Switzerland, and the United States will have experienced less centralization than Canada and India because their constituent units possess residual powers.

H7c: other things being equal, Germany and Switzerland, as more "administrative" federations, will have experienced higher centralization than the dual federations of Australia, Canada, India, and the United States.

H7d: in Germany and Switzerland, centralization will have largely been confined to the legislative sphere and taken place primarily through framework legislation.

H7e: other things being equal, Switzerland and the United States will have experienced less centralization than Australia, Canada, Germany, and India, given their non-parliamentarism.

H7f: other things being equal, Australia and Switzerland will have experienced less centralization than Canada, Germany, India, and the United States because of their provision for direct democracy.

1.4.3 Adaptation of the model

The original model, as already stated, was extremely fitting for my research. However, due to my focus on social policies, some adjustments were needed. In this paragraph I will explain all the adaptations that I carried out.

1.4.3.1 Selection of policy categories

As already mentioned, the authors identified twenty-two policy categories for measuring administrative and legislative autonomy, namely the two sides of policy autonomy. Their objective was, through the identification of these policy areas, to cover the full scope of government, or at least the vast majority of it. However, in my case, the focus is only on social policies, so I had to select only the policy areas related to the social realm. This task proved to be less straightforward than one might expect. Indeed, there is no clear and uncontested definition of what social policies are. While everyone agrees in considering areas such as welfare, employment or healthcare as social ones, there are no clear boundaries, "social policy" is a vague term (Boulding, 1967). Most interpretations of the concept push towards the idea of

social policies as all policies that address the welfare needs of the population[10]. In addition to this criterium, I used as a reference point some handbooks and papers on the topic (Baldock et al, 2012; Blakemore et al., 2013). Most experts tend to include security and criminal justice in this field, since these can be considered direct societal concerns, so I decided to include the area of "law enforcement". The final list of policy categories is the following, composed of thirteen elements: citizenship and immigration, culture, pre-tertiary education, tertiary education, employment relations, environmental protection, health care, language, law enforcement, media, natural resources, social welfare, transport.

1.4.3.2 Selection of fiscal categories

Regarding the five fiscal categories I decided to keep them unchanged, so I will use the same results provided by the authors. There are two main reasons for this decision.

In the first place, the overly complicated process that an adaptation of the categories would have required. All the five sub-dimensions of fiscal autonomy are based on parameters as total revenues, total own-source revenues or total conditional grants. Clearly, being the authors' research concerned with an overall assessment of the federations, it required looking at all fiscal parameters in their entirety. In my case, however, the focus on social policies would require analysing only fiscal data directly related to social policies. Unfortunately, this is easier said than done. As we saw in the previous sub-paragraph, there is no single policy area named "social policies", nor specific policies that can be objectively considered as social ones. In order to measure, for instance, own-source revenues for social policies in India, one should take all the taxes collected locally, identify the various taxation items related to social policies and then sum them up to obtain the total value of taxation for social policies. Clearly, in each country the classification of expense items is different. This means that the adaptation of the fiscal categories to my research would involve creating specific categories for each country, which are unlikely to overlap with each other, since each will contain the sum of different expense items. Moreover, two of the five sub-dimensions are ratios between two values. In these cases, the adaptation is even more problematic. Indeed, whereas the ratio between own-source

---

[10] Oxford Reference. *Social Policy*. Available at: https://www.oxfordreference.com/view/10.1093/oi/authority.20110803100515370 (Accessed: 10 August 2021); The British Academy. *What is social policy?* Available at: https://www.thebritishacademy.ac.uk/blog/what-is-social-policy/ (Accessed: 10 August 2021).

revenues and total revenues (first fiscal sub-dimension) is a sensible index to use, a ratio between own-source revenues for social policies and total revenues for social policies would not be so meaningful. This is because the constituent unit is not bound to spend the same percentage of own-source revenues and local government revenues for social policies. I will provide an example to make this clearer. We can take the hypothetical case of a constituent unit whose own-source revenues constitute 50% of its total revenues. Imagine that it spends 60% of its total revenues for social policies. Does this mean that 30% of these funds come from own-source revenues and 30% from local government? Or that all own-source revenues are used for social policies, with the addition of 10% from local government? And, most importantly, would it make any difference? It would not, since the amount of money collected through taxation and the amount of funds spent for social policies are the same in both cases. Clearly, the funds provided by the government may be subject to conditions, so the constituent unit may not be completely free to decide how to spend them. Nevertheless, the influence of this conditionality is already captured by the other sub-dimensions of fiscal autonomy. For this reason, redefining the fiscal autonomy categories, tailored on social policies, would be surely an extremely complicated, if not impossible, activity and maybe not even so useful for the collection of additional information. All of this said, there is a second reason behind my decision to live this dimension untouched.

I believe that the five parameters used for measuring fiscal autonomy are a proper instrument also if we are just interested in social policies. This is simply because the presence of a lower or higher level of autonomy in the fiscal sphere is directly reflected in all policy areas. Even tough an analysis of the fiscal aspects directly related to social issues would obviously be more precise, the general level of fiscal autonomy is still an extremely good indicator. Indeed, if we imagine a constituent unit with 10% of own-source revenues over total revenues, we can safely say that it is not autonomous. This low level of autonomy is a relevant indicator by itself, since it generally affects all policies. Regarding the different levels of autonomy that a constituent unit has with respect to different policy areas, we can look at the policy autonomy categories, which are specifically designed for that. Furthermore, parameters as restrictions in raising resources, quantity of conditional grants or stringency of conditions on grants, are all meant to take into account the ability of the central government to influence specific sectors and to direct attention to certain areas, included social policies.

1.4.3.3 Explaining the hypotheses with the new results

After having computed the new statistics restricted to social policies and having identified the

de/centralisation trends for this policy area, I will be able to comment on the hypotheses. The way I will do this is by referring to the original comments of the authors and check if, in light of the new results, they still hold. I will analyse all hypotheses one by one, to see if I can accept or reject them with the same pattern of the original papers. Then, on the basis of this control, I will derive my conclusions, by updating the conclusions of the original project.

Terminated this theoretical and methodological introduction, we can move to the second chapter, where I will present the results of the study on the six federations and elaborate on them.

2 De/centralisation of Social Policies in Federal Systems

In this chapter I will illustrate the results for each federation, comparing the social policies' trend with the general trend, in order to spot relevant differences. The aim is to find out whether each of the hypotheses presented in the paper "Conceptualizing, Measuring, and Theorizing Dynamic De/Centralization in Federations" (Dardanelli et al., 2019) and commented in the paper "Dynamic De/Centralization in Federations: Comparative Conclusions" (Dardenelli et al., 2019), can still be accepted or rejected after this shift in the framework. In this way, I will be able to identify the drivers of centralisation, by assessing the relevance of each factor identified in the hypotheses. After that, I will look at the effects the de/centralisations trends have had on the federations, in order to derive some benefits or costs of the process.

In the first section I will present and describe the results for each federation, highlighting, when it will be the case, the different picture that I have obtained by focusing on social policies.

In the following section, I will assess all the original hypotheses with the new data. This will be followed by an "updating" of the comparative conclusion of the original project.

In conclusion, I will dedicate the last section to the observation of the effects of the de/centralisation processes on the federations, and in general correlations between levels of centralisation and certain indicators related to social policies. In this way I will identify the main reasons that may make a centralisation desirable or not.

2.1 Historical De/centralisation Trajectories.

The best way to assess the trajectory of the federations is by analysing them one by one. In doing this, I will use the same statistics that the authors of the original project propose, which I have outlined in the previous chapter. I have computed these statistics using the dataset of the project, available online.[11] Additional information for each federation can be found in the specific papers that the different scholars presented. Since the scope of my research is limited to the quantitative comparison, I will not provide excessive contextualisation for each federation, which can be found in the case-study papers.

2.1.1 Australia

---

[11] De/Centralisation Dataset. Data File: https://reshare.ukdataservice.ac.uk/853510/1/DcD_v1.csv (Accessed: 23 August 2021).

The reference paper for Australia is "The Centralization of Australian Federalism 1901-2010: Measurement and Interpretation" by Alan Fenna (2019).

2.1.1.1 Static De/centralisation

The employment of static de/centralisation statistics is a good way of taking the picture of the overall system in a given moment. Differently from the author, who shows the overall situation in the first and in the last decade, I will show only the summary statistics for all the decades. This is because my main concern is not really to look at each policy, but rather to compare the overall situation with the one concerning the social policy area.

	Legislative Autonomy				Adminstrative Autonomy				Mean L - A	Fiscal Autonomy			
All Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A		Total F	Mean F	SD F	Mode F
1910	104.00	4.95	2.25	7.00	104.00	4.95	2.25	7.00	0.00	31.00	6.20	0.84	6.00
1920	101.00	4.81	2.16	5.00	101.00	4.81	2.16	5.00	0.00	32.00	6.40	0.89	7.00
1930	97.00	4.62	2.18	5.00	99.00	4.71	2.19	5.00	-0.10	25.00	5.00	1.87	7.00
1940	96.00	4.57	2.25	5.00	98.00	4.67	2.27	5.00	-0.10	24.00	4.80	1.64	4.00
1950	91.00	4.33	2.22	5.00	95.00	4.52	2.25	5.00	-0.19	20.00	4.00	2.24	-
1960	89.00	4.24	2.14	5.00	95.00	4.52	2.25	5.00	-0.29	21.00	4.20	2.39	-
1970	87.00	4.14	2.08	5.00	94.00	4.48	2.25	1.00	-0.33	18.00	3.60	1.82	4.00
1980	76.00	3.62	1.91	1.00	83.00	3.95	2.16	5.00	-0.33	17.00	3.40	1.82	3.00
1990	70.00	3.33	1.77	1.00	77.00	3.67	2.01	1.00	-0.33	19.00	3.80	1.92	-
2000	63.00	3.00	1.58	3.00	71.00	3.38	1.86	1.00	-0.38	19.00	3.80	1.92	-
2010	59.00	2.81	1.47	2.00	67.00	3.19	1.75	1.00	-0.38	20.00	4.00	1.87	4.00
Social Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1910	68.00	5.67	1.92	7.00	68.00	5.67	1.92	7.00	0.00	31.00	6.20	0.84	6.00
1920	67.00	5.58	1.88	7.00	67.00	5.58	1.88	7.00	0.00	32.00	6.40	0.89	7.00
1930	64.00	5.33	2.02	7.00	65.00	5.42	2.02	7.00	-0.08	25.00	5.00	1.87	7.00
1940	63.00	5.25	2.18	7.00	64.00	5.33	2.19	7.00	-0.08	24.00	4.80	1.64	4.00
1950	59.00	4.92	2.19	5.00	61.00	5.08	2.23	7.00	-0.17	20.00	4.00	2.24	-
1960	57.00	4.75	2.09	5.00	61.00	5.08	2.23	7.00	-0.33	21.00	4.20	2.39	-
1970	55.00	4.58	2.02	5.00	60.00	5.00	2.26	7.00	-0.42	18.00	3.60	1.82	4.00
1980	46.00	3.83	1.95	6.00	51.00	4.25	2.30	6.00	-0.42	17.00	3.40	1.82	3.00
1990	42.00	3.50	1.78	1.00	47.00	3.92	2.11	6.00	-0.42	19.00	3.80	1.92	-
2000	38.00	3.17	1.59	3.00	44.00	3.67	2.02	1.00	-0.50	19.00	3.80	1.92	-
2010	35.00	2.92	1.38	3.00	41.00	3.42	1.83	2.00	-0.50	20.00	4.00	1.87	4.00

Table 1. Static de/centralisation Australia. Data from the De/Centralisation Dataset, 2019.

In Table 1 we can see the legislative, administrative and fiscal scores both overall ("All Policies") and for social policies only ("Social Policies"). The statistics about total score are clearly different between the two policy areas, considering that the first group contains twenty-one categories, while the second only twelve[12], so this figure is mainly useful to observe

---

[12] The policy areas are twenty-two overall and thirteen for social policies, but the area of "language" is absent for Australia.

differences between the legislative and administrative spheres. On the contrary, the other figures provide us with interesting insights, useful for a comparative analysis. Starting from the legislative sphere, the mean is always slightly higher (less that one point) for "Social Policies", but it follows the same decreasing trend of "All Policies", going from 5.67 in 1910 to 2.92 in 2010, with a decrease of 2.75 points. The decrease, considering all policy areas has been of 2.14 points, from 4.95 to 2.81, so there has been a convergence (as evident in Figure 1). The results are extremely similar also for the administrative sphere, where the mean score goes from 4.95 to 3.19 overall and from 5.67 to 3.42 for social policies. In both cases, the centralisation in the administrative sphere has been slightly lower than in the legislative one, indeed the mean deviation between the two dimensions, equal to 0 in 1910 (meaning no difference between legislative and administrative scores), became 0.38 for all policies and 0.50 for social policies. Centralisation has occurred also in the fiscal sphere, with a mean fiscal score of 6.20 in 1910 and of 4.00 in 2010 (as explained above, for the fiscal autonomy, I keep the same categories used by the project authors).

Figure 1. Legislative and Administrative Mean Australia. Data from the De/Centralisation Dataset, 2019.

2.1.1.2 Dynamic De/centralisation

The dynamic de/centralisation figures help us to summarise the changes occurred in time. In Table 2, I have collected the figures about frequency, direction and magnitude. Starting from the legislative sphere, the total number of score changes across all policies and all periods is 41 overall and 29 for social policies. We have to consider that the first number results from twenty-one policy areas, while the second from just twelve. Indeed, when we look at the mean frequency of change, we have 1.95 overall and 2.42 for social policies. Moving to the administrative autonomy, we get the confirmation of the previous observation. Indeed, total and mean frequency are respectively 32 and 1.52 for all policies and 22 and 1.83 for social policies,

showing that the centralisation process is stronger in the legislative sphere. Looking at the total magnitude and direction of change, we get a further confirmation, since it scores -45 for all policies and -33 for social policies for the legislative side, while -37 and -27 in the administrative sphere. However, the highest centralisation is present in the fiscal sphere, with an average frequency of 2.6.

	Legislative Autonomy				Adminstrative Autonomy				Fiscal Autonomy			
All Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	41	2	1.95	-45	32	2	1.52	-37	13	2	2.6	-11
Social Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	29	3	2.42	-33	22	2	1.83	-27	13	2	2.6	-11

Table 2. Dynamic de/centralisation Australia. Data from the De/Centralisation Dataset, 2019.

As the figures make clear, a centralisation trend has been present in Australia, particularly affecting social policies. Since at the outset, in 1910, social policies were the more decentralised policies, this trend has led to a convergence, especially in the legislative sphere.

2.1.2 Canada

The reference paper for Canada is "Dynamic De/Centralization in Canada, 1867 – 2010" by André Lecours (2019).

2.1.2.1 Static De/centralisation

As with Australia, in order to compare the totality of policies with social policies, the best statistic to look at is the mean score, observable in Table 3. Looking at the legislative autonomy, we see that at birth, in 1870, the mean score was 3.80 overall and 4.73 for social policies. This difference of almost one point tells us that constituent units were more autonomous in the policymaking for social policies. Anyway, the degree of centralisation at birth is fairly high if compared with other federations in this study (Australia was 4.95 and 5.67). It is important to notice that, as the standard deviation of 2.35 for "All Policies" and of 2.24 for "Social Policies" shows, there is a relevant variation from the mean, with most policies (sixteen out of twenty[13]) scoring extreme values as 1, 2, 6 or 7. Looking at the figures for 2010, it is evident that no relevant changes occurred, since the mean score increased of 0.11 for all the policies and

---

[13] The categories "media" and "social welfare" are not present for the initial decades.

decreased of 0.11 for social policies, both almost irrelevant changes. In the administrative sphere, the picture is basically the same, with a shift, between the years 1870 and 2010, from 3.95 to 4.14 for all the policies and from 4.73 to 4.77 for social policies, portraying a minimal decentralisation.

	Legislative Autonomy				Adminstrative Autonomy					Fiscal Autonomy			
All Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1870	76.00	3.80	2.35	1.00	79.00	3.95	2.26	6.00	-0.15	21.00	7.00	0.00	7.00
1880	76.00	3.80	2.35	1.00	79.00	3.95	2.26	6.00	-0.15	24.00	6.00	2.00	7.00
1890	76.00	3.80	2.35	1.00	79.00	3.95	2.26	6.00	-0.15	21.00	7.00	0.00	7.00
1900	76.00	3.80	2.35	1.00	79.00	3.95	2.26	6.00	-0.15	25.00	6.25	1.50	7.00
1910	76.00	3.80	2.35	1.00	79.00	3.95	2.26	6.00	-0.15	21.00	7.00	0.00	7.00
1920	83.00	3.95	2.36	1.00	86.00	4.10	2.26	1.00	-0.14	30.00	6.00	1.41	7.00
1930	83.00	3.95	2.36	1.00	86.00	4.10	2.26	1.00	-0.14	31.00	6.20	1.79	7.00
1940	90.00	4.09	2.16	6.00	93.00	4.23	2.05	4.00	-0.14	30.00	6.00	1.73	7.00
1950	90.00	4.09	2.16	6.00	93.00	4.23	2.05	4.00	-0.14	29.00	5.80	1.64	6.00
1960	90.00	4.09	2.18	6.00	93.00	4.23	2.07	4.00	-0.14	29.00	5.80	1.64	6.00
1970	89.00	4.05	2.15	4.00	93.00	4.23	2.07	4.00	-0.18	29.00	5.80	1.64	6.00
1980	89.00	4.05	2.08	4.00	93.00	4.23	2.00	4.00	-0.18	31.00	6.20	0.84	6.00
1990	86.00	3.91	2.09	4.00	90.00	4.09	2.02	4.00	-0.18	31.00	6.20	0.84	6.00
2000	86.00	3.91	2.09	4.00	91.00	4.14	1.98	4.00	-0.23	34.00	6.80	0.45	7.00
2010	86.00	3.91	2.09	4.00	91.00	4.14	1.98	4.00	-0.23	33.00	6.60	0.55	7.00
Social Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1870	52.00	4.73	2.24	6.00	52.00	4.73	2.24	6.00	0.00	21.00	7.00	0.00	7.00
1880	52.00	4.73	2.24	6.00	52.00	4.73	2.24	6.00	0.00	24.00	6.00	2.00	7.00
1890	52.00	4.73	2.24	6.00	52.00	4.73	2.24	6.00	0.00	21.00	7.00	0.00	7.00
1900	52.00	4.73	2.24	6.00	52.00	4.73	2.24	6.00	0.00	25.00	6.25	1.50	7.00
1910	52.00	4.73	2.24	6.00	52.00	4.73	2.24	6.00	0.00	21.00	7.00	0.00	7.00
1920	58.00	4.83	2.21	6.00	58.00	4.83	2.21	6.00	0.00	30.00	6.00	1.41	7.00
1930	58.00	4.83	2.21	6.00	58.00	4.83	2.21	6.00	0.00	31.00	6.20	1.79	7.00
1940	64.00	4.92	1.89	6.00	64.00	4.92	1.89	6.00	0.00	30.00	6.00	1.73	7.00
1950	64.00	4.92	1.89	6.00	64.00	4.92	1.89	6.00	0.00	29.00	5.80	1.64	6.00
1960	64.00	4.92	1.93	6.00	64.00	4.92	1.93	6.00	0.00	29.00	5.80	1.64	6.00
1970	63.00	4.85	1.91	6.00	64.00	4.92	1.93	6.00	-0.08	29.00	5.80	1.64	6.00
1980	62.00	4.77	1.88	6.00	63.00	4.85	1.91	6.00	-0.08	31.00	6.20	0.84	6.00
1990	60.00	4.62	1.94	4.00	61.00	4.69	1.97	4.00	-0.08	31.00	6.20	0.84	6.00
2000	60.00	4.62	1.94	4.00	62.00	4.77	1.88	4.00	-0.15	34.00	6.80	0.45	7.00
2010	60.00	4.62	1.94	4.00	62.00	4.77	1.88	4.00	-0.15	33.00	6.60	0.55	7.00

Table 3. Static de/centralisation Canada. Data from the De/Centralisation Dataset, 2019.

Regarding the fiscal sphere, we always observe an extremely high level of autonomy, with a score of 7.00 in 1870 and of 6.60 in 2010. Differently from what these two figures suggest, in this case we observe a decentralisation, which can be seen by looking at all periods. Indeed, until 1920, the data for the categories "proportion of own-source revenues out of the total combined constituent unit and local government revenues" and "degree of conditionality" were not present. These two categories have experienced a strong decentralisation, ending up in 2010 with the respective scores of 6 and 7, in line with the other three fiscal dimensions.

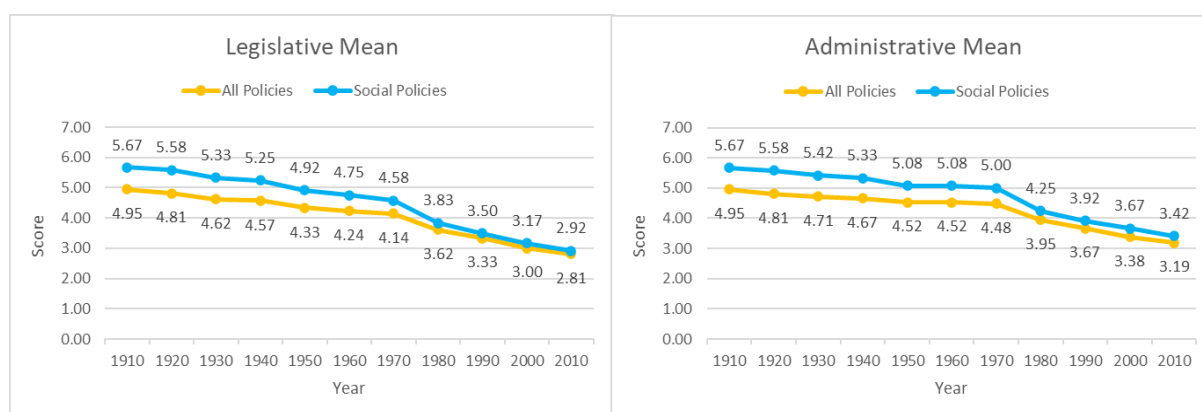**Figure 2**. Legislative and Administrative Mean Canada. Data from the De/Centralisation Dataset, 2019.

2.1.2.2 Dynamic De/centralisation

Observing the results for dynamic de/centralisation in Table 4, we get a confirmation of the limited entity of change in Canada. Indeed, the total frequency of score changes is just 17 overall and 13 for social policies. If we compare this with Australia, which scored 41 and 29, we can clearly see the difference (even more considering that the lifespan of the Australian federation is 40 years shorter). No relevant differences are observed between the "All Policies" and "Social Policies" categories.

To sum up, in Canada we observe a general decentralisation pattern, especially affecting the fiscal sphere. The decentralisation is minimal if we take the overall picture of legislative and administrative autonomy, while it increases a bit including the fiscal dimension. Additionally, if we only consider social policies, we observe that the shift, again minimal (0.11 in legislation and 0.04 in administration), is towards a centralisation. In general, the conclusion obtained by Lecours (2019) can be confirmed, by saying that the Canadian pattern is characterised by an overall stability, with no dynamic centralisation happening.

	Legislative Autonomy				Adminstrative Autonomy				Fiscal Autonomy			
All Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	17	0	0.77	-3	17	1	0.77	-1	10	0	2	3
Social Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	13	0	1	-5	13	1	1	-3	10	0	2	3

Table 4. Dynamic de/centralisation Canada. Data from the De/Centralisation Dataset, 2019.

2.1.3 Germany

The reference paper for Germany is "Dynamic De/Centralization in Germany, 1949–2010'" by

André Kaiser and Stephan Vogel (2019).

2.1.3.1 Static De/centralisation

In the same fashion as Australia and Canada, when we look at the legislative dimension, Germany shows a higher level of autonomy for social policies at birth in 1950. The mean in that year is 3.43 overall and 4.31 for the social area. In both cases we observe a centralisation process, with a slight convergence, since, in 2010, "All Policies" score 3.05, while "Social Policies" 3.69.

All Policies	Legislative Autonomy				Adminstrative Autonomy				Mean L - A	Fiscal Autonomy			
	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A		Total F	Mean F	SD F	Mode F
1950	72.00	3.43	1.96	2.00	111.00	5.29	1.27	6.00	-1.86	24.00	4.80	2.05	3.00
1960	70.00	3.18	1.87	2.00	109.00	4.95	1.56	6.00	-1.77	23.00	4.60	1.82	3.00
1970	67.00	3.05	1.84	2.00	104.00	4.73	1.49	6.00	-1.68	22.00	4.40	2.07	-
1980	63.00	2.86	1.91	2.00	105.00	4.77	1.54	6.00	-1.91	22.00	4.40	2.07	-
1990	63.00	2.86	1.91	2.00	104.00	4.73	1.52	6.00	-1.86	22.00	4.40	2.07	-
2000	62.00	2.95	1.91	2.00	103.00	4.68	1.55	6.00	-1.86	22.00	4.40	2.41	-
2010	64.00	3.05	1.91	2.00	103.00	4.68	1.52	6.00	-1.76	19.00	3.80	2.28	3.00
Social Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1950	56.00	4.31	2.02	6.00	73.00	5.62	1.04	6.00	-1.31	24.00	4.80	2.05	3.00
1960	53.00	4.08	1.93	6.00	71.00	5.46	0.97	6.00	-1.38	23.00	4.60	1.82	3.00
1970	50.00	3.85	1.99	6.00	68.00	5.23	0.93	6.00	-1.38	22.00	4.40	2.07	-
1980	47.00	3.62	2.14	2.00	69.00	5.31	1.03	6.00	-1.69	22.00	4.40	2.07	-
1990	47.00	3.62	2.14	2.00	68.00	5.23	1.01	6.00	-1.62	22.00	4.40	2.07	-
2000	47.00	3.62	2.14	2.00	67.00	5.15	1.14	6.00	-1.54	22.00	4.40	2.41	-
2010	48.00	3.69	2.18	2.00	66.00	5.08	1.04	6.00	-1.38	19.00	3.80	2.28	3.00

Table 5. Static de/centralisation Germany. Data from the De/Centralisation Dataset, 2019.

In the administrative sphere instead, although a centralisation still occurs, there is no convergence. Indeed, the difference between the "All Policies" and "Social Policies" administrative means goes from 0.33 in 1950 to 0.40 in 2010. Centralisation is visible also in the fiscal dimension, especially in the first and fifth sub-dimensions.
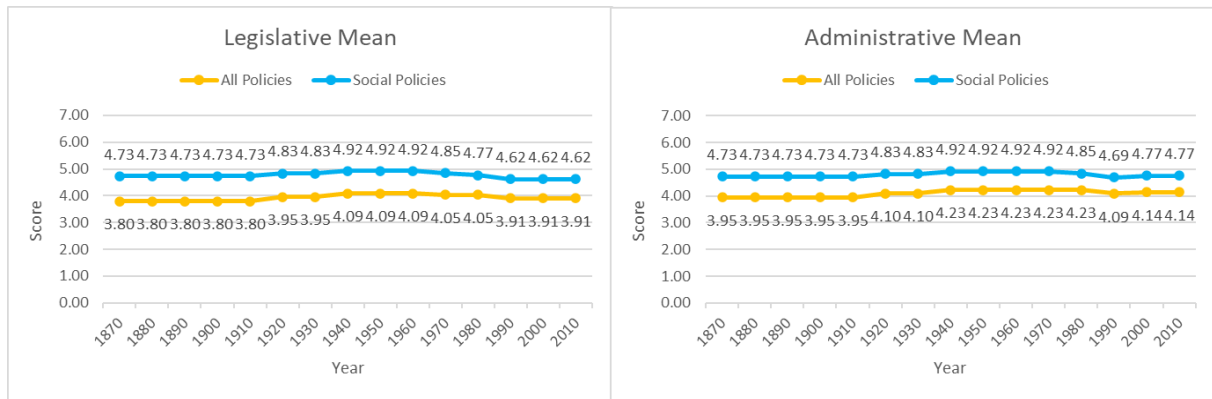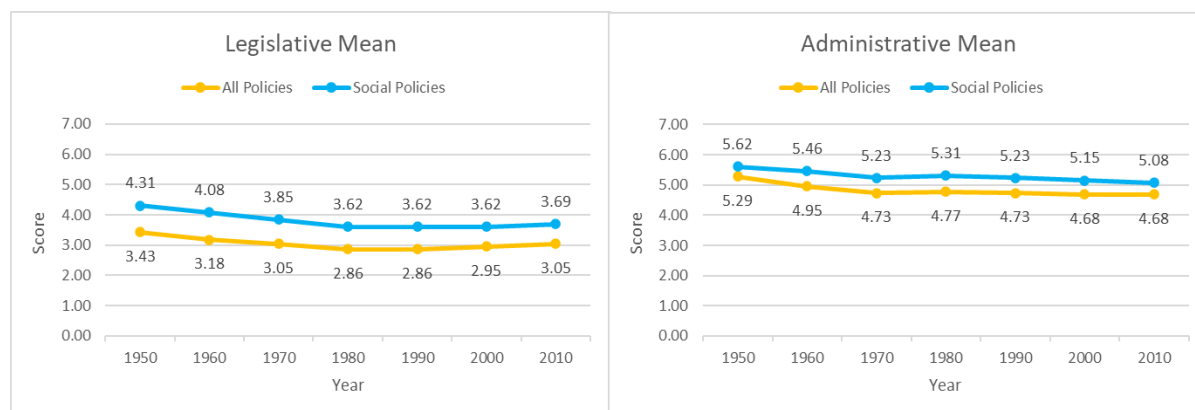

Figure 3. Legislative and Administrative Mean Germany. Data from the De/Centralisation Dataset, 2019.

2.1.3.2 Dynamic De/centralisation

Again, the dynamic de/centralisation process is not so strong, especially for the social policies, with a mean frequency of policy score change of 0.92 and 0.69 and a magnitude and direction of -8 and -7. Differently, from Canada, a centralisation occurs in all three dimensions. We have also to consider that the Federal Republic of Germany was founded in 1949, so its evolution has lasted much less time than the previous two countries. In the fiscal sphere the decrease in autonomy is greater, with a mean frequency of 1.8.

As a final comment on Germany, we can say that also in this case a centralisation occurred, even if with a moderate pace, with just some minor decentralisation activities in some policy areas.

	Legislative Autonomy				Adminstrative Autonomy				Fiscal Autonomy			
All Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	14	0	1.64	-8	12	0	0.55	-9	9	2	1.8	-5
Social Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	12	0	0.92	-8	9	0	0.69	-7	9	2	1.8	-5

Table 6. Dynamic de/centralisation Germany. Data from the De/Centralisation Dataset, 2019.

2.1.4 India

The reference paper for India is "Dynamic De/Centralization in India, 1950–2010" by Ajay Kumar Singh (2019).

2.1.4.1 Static De/centralisation

	Legislative Autonomy				Adminstrative Autonomy					Fiscal Autonomy			
All Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1950	69.00	3.29	1.79	4.00	77.00	3.67	1.83	4.00	-0.38	23.00	4.60	1.52	4.00
1960	68.00	3.24	1.79	4.00	78.00	3.71	1.74	5.00	-0.48	22.00	4.40	1.14	4.00
1970	67.00	3.19	1.83	1.00	77.00	3.67	1.80	5.00	-0.48	22.00	4.40	1.14	4.00
1980	62.00	2.82	1.50	4.00	75.00	3.41	1.62	5.00	-0.59	22.00	4.40	1.14	4.00
1990	62.00	2.82	1.50	4.00	75.00	3.41	1.62	5.00	-0.59	21.00	4.20	1.10	4.00
2000	63.00	2.86	1.49	4.00	76.00	3.45	1.63	5.00	-0.59	21.00	4.20	1.10	4.00
2010	63.00	2.86	1.49	4.00	76.00	3.45	1.63	5.00	-0.59	22.00	4.40	0.89	4.00
Social Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1950	45.00	3.75	1.86	4.00	50.00	4.17	1.75	4.00	-0.42	23.00	4.60	1.52	4.00
1960	45.00	3.75	1.86	4.00	52.00	4.33	1.50	4.00	-0.58	22.00	4.40	1.14	4.00
1970	45.00	3.75	1.86	4.00	52.00	4.33	1.50	4.00	-0.58	22.00	4.40	1.14	4.00
1980	41.00	3.15	1.52	4.00	50.00	3.85	1.34	4.00	-0.69	22.00	4.40	1.14	4.00
1990	41.00	3.15	1.52	4.00	50.00	3.85	1.34	4.00	-0.69	21.00	4.20	1.10	4.00
2000	41.00	3.15	1.52	4.00	50.00	3.85	1.34	4.00	-0.69	21.00	4.20	1.10	4.00
2010	41.00	3.15	1.52	4.00	50.00	3.85	1.34	4.00	-0.69	22.00	4.40	0.89	4.00

Table 7. Static de/centralisation India. Data from the De/Centralisation Dataset, 2019.

In the same way as Germany, India is studied starting from 1950, so we should expect a weaker transformation. This is exactly the case. The average scores do not vary much in 1950, neither between legislative and administrative dimension, nor between "All Policies" and "Social Policies". In all cases, the scores are close to 4, meaning that the control is distributed almost equally between the central government and the constituent units. Administrative autonomy is slightly greater, with 3.67 against 3.29 for the general analysis and 4.17 against 3.75 for the focus on the social sphere. This also tells us that social policies are slightly more decentralised at the outset. In 2010 all these four figures have decreased, but only by a minimal amount, with the 0.6 decrease of legislative autonomy for social policies being the most relevant one. Anyway, we can say that a centralisation happened. This same conclusion can be transferred to the fiscal sphere, where that average score moved from 4.60 in 1950 to 4.40 in 2010.
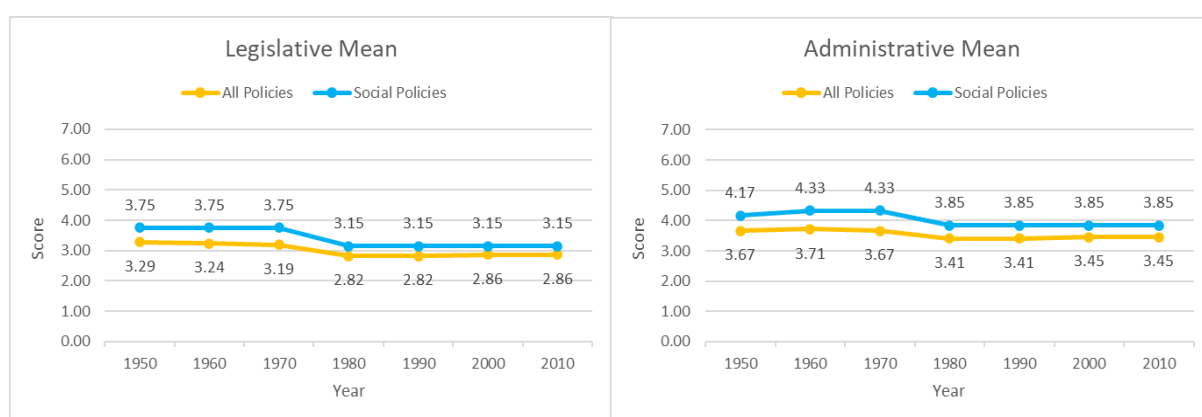
Figure 4. Legislative and Administrative Mean India. Data from the De/Centralisation Dataset, 2019.

2.1.4.2 Dynamic De/centralisation

The results for dynamic de/centralisation confirm that a centralisation trend happened in all dimensions, but that its magnitude has been very contained. Indeed, all mean frequencies of score change are quite low, with 0.6 in the fiscal autonomy category. No relevant differences are observed between the general figures and the ones referring to social policies. If we look at magnitude and direction, the only relevant trend regards the legislative sphere, with -7 for "All Policies" and -5 for "Social Policies".

India and Australia, in 2010, are the most centralised of the six federations in this work. Being fairly centralised since birth, the centralisation process has not been so strong. As Singh himself notices, the relations between the central government and the constituent units have mainly been focused on keeping stability (2019).

All Policies	Legislative Autonomy			Administrative Autonomy			Fiscal Autonomy		
	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	8	0	0.36	-7	9	0	0.41	-2	3	1	0.6	-1
Social Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	4	0	0.31	-5	6	0	0.46	-1	3	1	0.6	-1

Table 8. Dynamic de/centralisation India. Data from the De/Centralisation Dataset, 2019.

2.1.5 Switzerland

The reference paper for Switzerland is "Dynamic De/Centralization in Switzerland, 1848–2010" by Paolo Dardanelli and Sean Mueller (2019).

2.1.5.1 Static De/centralisation

All Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1850	130.00	5.91	1.57	7.00	134.00	6.38	1.16	7.00	-0.29	33.00	6.60	0.55	7.00
1860	128.00	5.82	1.68	7.00	134.00	6.09	1.60	7.00	-0.27	33.00	6.60	0.55	7.00
1870	128.00	5.82	1.68	7.00	134.00	6.09	1.60	7.00	-0.27	34.00	6.80	0.45	7.00
1880	119.00	5.41	1.71	6.00	131.00	5.95	1.62	7.00	-0.55	33.00	6.60	0.55	7.00
1890	114.00	5.18	1.68	6.00	130.00	5.91	1.60	6.00	-0.73	33.00	6.60	0.55	7.00
1900	113.00	5.14	1.67	6.00	127.00	5.77	1.54	6.00	-0.64	33.00	6.60	0.55	7.00
1910	112.00	5.09	1.63	6.00	124.00	5.64	1.56	6.00	-0.55	28.00	5.60	1.14	6.00
1920	104.00	4.73	1.70	6.00	122.00	5.55	1.60	6.00	-0.82	26.00	5.20	1.48	5.00
1930	103.00	4.68	1.67	6.00	121.00	5.50	1.57	6.00	-0.82	26.00	5.20	1.48	5.00
1940	97.00	4.41	1.71	6.00	118.00	5.36	1.56	6.00	-0.95	27.00	5.40	1.14	5.00
1950	88.00	4.00	1.75	6.00	117.00	5.32	1.64	6.00	-1.32	26.00	5.20	1.30	4.00
1960	83.00	3.77	1.77	2.00	115.00	5.23	1.63	6.00	-1.45	26.00	5.20	1.64	6.00
1970	78.00	3.55	1.68	2.00	112.00	5.09	1.63	6.00	-1.55	25.00	5.00	2.00	6.00
1980	74.00	3.36	1.65	2.00	111.00	5.05	1.62	6.00	-1.68	24.00	4.80	1.92	#N/D
1990	73.00	3.32	1.64	3.00	110.00	5.00	1.60	6.00	-1.68	24.00	4.80	1.92	#N/D
2000	67.00	3.05	1.65	2.00	106.00	4.82	1.76	6.00	-1.77	24.00	4.80	1.92	#N/D
2010	64.00	2.91	1.51	2.00	104.00	4.73	1.78	6.00	-1.82	24.00	4.80	1.92	#N/D
Social Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1850	84.00	6.46	0.66	7.00	88.00	6.77	0.44	7.00	-0.31	33.00	6.60	0.55	7.00
1860	84.00	6.46	0.66	7.00	87.00	6.69	0.48	7.00	-0.23	33.00	6.60	0.55	7.00
1870	84.00	6.46	0.66	7.00	87.00	6.69	0.48	7.00	-0.23	34.00	6.80	0.45	7.00
1880	77.00	5.92	0.76	6.00	85.00	6.54	0.52	7.00	-0.62	33.00	6.60	0.55	7.00
1890	76.00	5.85	0.69	6.00	85.00	6.54	0.52	7.00	-0.69	33.00	6.60	0.55	7.00
1900	76.00	5.85	0.69	6.00	83.00	6.38	0.51	6.00	-0.54	33.00	6.60	0.55	7.00
1910	75.00	5.77	0.60	6.00	81.00	6.23	0.83	6.00	-0.46	28.00	5.60	1.14	6.00
1920	72.00	5.54	0.66	6.00	80.00	6.15	0.80	6.00	-0.62	26.00	5.20	1.48	5.00
1930	71.00	5.46	0.66	6.00	79.00	6.08	0.76	6.00	-0.62	26.00	5.20	1.48	5.00
1940	67.00	5.15	1.14	6.00	77.00	5.92	0.86	6.00	-0.77	27.00	5.40	1.14	5.00
1950	64.00	4.92	1.32	6.00	77.00	5.92	0.86	6.00	-1.00	26.00	5.20	1.30	4.00
1960	61.00	4.69	1.44	6.00	75.00	5.77	0.93	6.00	-1.08	26.00	5.20	1.64	6.00
1970	56.00	4.31	1.49	6.00	73.00	5.62	1.04	6.00	-1.31	25.00	5.00	2.00	6.00
1980	54.00	4.15	1.57	6.00	72.00	5.54	1.05	6.00	-1.38	24.00	4.80	1.92	#N/D
1990	53.00	4.08	1.61	3.00	72.00	5.54	1.05	6.00	-1.46	24.00	4.80	1.92	#N/D
2000	49.00	3.77	1.69	3.00	69.00	5.31	1.49	6.00	-1.54	24.00	4.80	1.92	#N/D
2010	46.00	3.54	1.56	5.00	69.00	5.31	1.49	6.00	-1.77	24.00	4.80	1.92	#N/D

Table 9. Static de/centralisation Switzerland. Data from the De/Centralisation Dataset, 2019.

Switzerland, after the United States, is the second oldest federal state in the world, created in 1848. Within the federations observed until now, it is definitely the most decentralised at birth, with a mean legislative autonomy of 5.91 and a mean administrative autonomy of 6.38. If we look at the social policies only, the figures are even higher, with 6.46 and 6.77 for legislation and administration respectively. Keeping the focus on the "All Policies" statistics, we can see that a huge change took place in the 160 years observed. In 2010 the legislative and administrative means were 2.91 and 4.73. The difference in the legislative sphere is much greater (3.00 points), but also the loss of autonomy in the administrative dimension is significant (1.65 points). These different trends of the two components of the policy autonomy are made clear by the values of the mean variation between the two dimensions, starting from -0.29 in 1850 until -1.82 in 2010. The duality of the Swiss federation is extremely high, much more than the other federations, except Germany. A strong centralisation happened also in the fiscal dimension, which moved from 6.60 in 1850 to 4.80 in 2010.

Moving to the "Social Policies" statistics, we can confirm the same trends. The initial level of legislative autonomy was 6.46, so quite higher than the overall value. The same is true for the 6.77 score of administrative autonomy. Again, the centralisation pattern is quite strong, with a reduction of 2.92 for legislative autonomy and 1.46 for administrative autonomy.
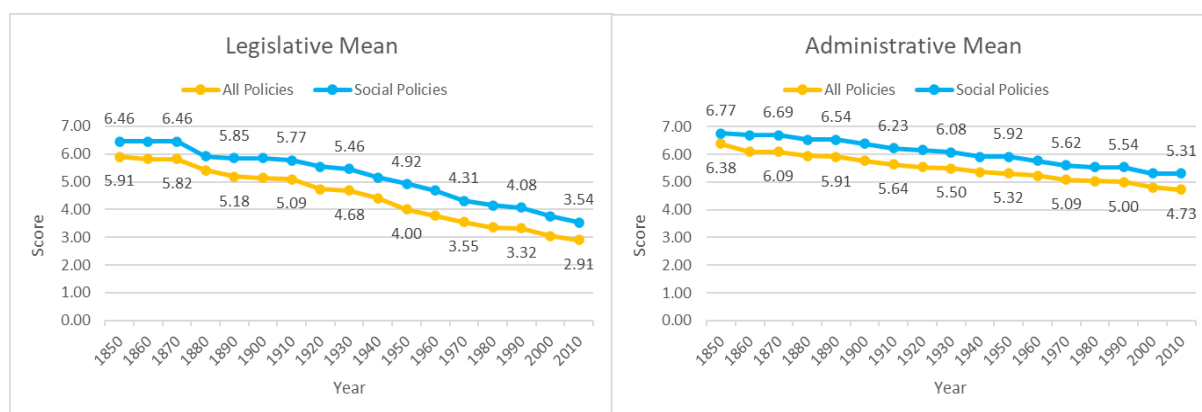
Figure 5. Legislative and Administrative Mean Switzerland. Data from the De/Centralisation Dataset, 2019.

2.1.5.2 Dynamic De/centralisation

Dynamic statistics tell us that the frequency of score change is quite high, especially in the legislative domain, with 2.36 for "All Policies" and 2.54 for "Social Policies". Considering magnitude and direction, we have -66 and -38 respectively. The administrative dimension follows the same trend, but with lower intensity. Mean frequency is almost identical, with 1.32 for "All Policies" and 1.31 for "Social Policies", but we observe a slight difference if we

consider the magnitude of these changes, with the respective scores of -31 and -19. The highest mean frequency, however, is the one of fiscal autonomy, with a value of 2.6.

To sum up, Switzerland has experienced a huge centralisation since its birth, especially in the legislative sphere. Social policies have followed the same trend as other policy areas, but they are still more decentralised today, as it was in the first period.

	Legislative Autonomy				Adminstrative Autonomy				Fiscal Autonomy			
All Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	52	4	2.36	-66	29	1	1.32	-31	13	-	2.6	-9
Social Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	33	1	2.54	-38	17	1	1.31	-19	13	-	2.6	-9

Table 10. Dynamic de/centralisation Switzerland. Data from the De/Centralisation Dataset, 2019.

2.1.6 United States

The reference paper for the United States is "Dynamic De/Centralization in the United States, 1790–2010" by John Kincaid (2019).
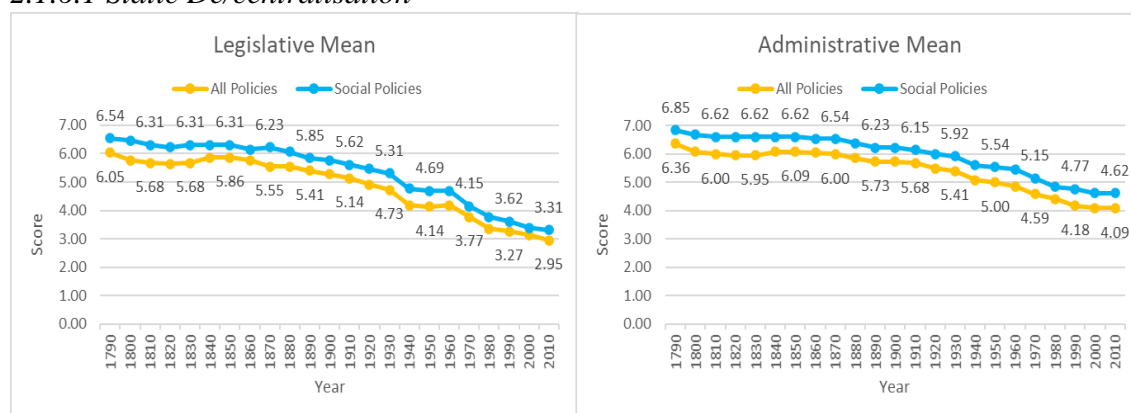
2.1.6.1 Static De/centralisation

Figure 6. Legislative and Administrative Mean United States. Data from the De/Centralisation Dataset, 2019.

The last federation in this study is the oldest in the world, namely the United States. Indeed, the period under study, starting in 1790, is of 220 years. The de/centralisation patter is quite similar to the Swiss one. In the same way, the static de/centralisation values at birth are high, with 6.05 and 6.36, for legislation and administration respectively. Also in this case, the level of autonomy for social policies is higher than the overall average, a legislative mean of 6.54 and an administrative mean of 6.85. In the same way as Switzerland, the United States experienced a huge centralisation during the decades (centuries in this case). In 2010 the legislative and

administrative autonomies lowered to 2.95 and 4.09, with the decrease in the legislative sphere of 3.1 points being the highest in this study. The same is true for social policies, with the values of 3.31 and 4.62. The same trend is observable in the case, but with the final values still higher than the overall mean.

	Legislative Autonomy				Administrative Autonomy					Fiscal Autonomy			
All Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1790	133.00	6.05	1.33	6.00	140.00	6.36	1.22	7.00	-0.32	34.00	6.80	0.45	7.00
1800	127.00	5.77	1.41	6.00	134.00	6.09	1.38	7.00	-0.32	34.00	6.80	0.45	7.00
1810	125.00	5.68	1.39	6.00	132.00	6.00	1.35	7.00	-0.32	34.00	6.80	0.45	7.00
1820	124.00	5.64	1.36	6.00	131.00	5.95	1.50	7.00	-0.32	34.00	6.80	0.45	7.00
1830	125.00	5.68	1.39	6.00	131.00	5.95	1.50	7.00	-0.27	34.00	6.80	0.45	7.00
1840	129.00	5.86	1.28	6.00	134.00	6.09	1.38	7.00	-0.23	34.00	6.80	0.45	7.00
1850	129.00	5.86	1.28	6.00	134.00	6.09	1.38	7.00	-0.23	34.00	6.80	0.45	7.00
1860	127.00	5.77	1.41	6.00	133.00	6.05	1.40	7.00	-0.27	34.00	6.80	0.45	7.00
1870	122.00	5.55	1.53	6.00	132.00	6.00	1.41	7.00	-0.45	33.00	6.60	0.55	7.00
1880	122.00	5.55	1.50	6.00	129.00	5.86	1.42	7.00	-0.32	33.00	6.60	0.55	7.00
1890	119.00	5.41	1.56	6.00	126.00	5.73	1.61	6.00	-0.32	33.00	6.60	0.55	7.00
1900	116.00	5.27	1.67	6.00	126.00	5.73	1.61	6.00	-0.45	33.00	6.60	0.55	7.00
1910	113.00	5.14	1.70	6.00	125.00	5.68	1.62	7.00	-0.55	33.00	6.60	0.55	7.00
1920	108.00	4.91	1.77	6.00	121.00	5.50	1.85	6.00	-0.59	32.00	6.40	0.89	7.00
1930	104.00	4.73	1.72	6.00	119.00	5.41	1.84	6.00	-0.68	32.00	6.40	0.89	7.00
1940	92.00	4.18	1.87	6.00	112.00	5.09	1.97	6.00	-0.91	32.00	6.40	0.89	7.00
1950	91.00	4.14	1.83	6.00	110.00	5.00	1.98	6.00	-0.86	32.00	6.40	0.89	7.00
1960	92.00	4.18	1.82	6.00	107.00	4.86	1.98	6.00	-0.68	29.00	5.80	1.10	6.00
1970	83.00	3.77	1.57	5.00	101.00	4.59	1.76	6.00	-0.82	29.00	5.80	1.10	6.00
1980	74.00	3.36	1.47	3.00	97.00	4.41	1.68	6.00	-1.05	28.00	5.60	1.52	6.00
1990	72.00	3.27	1.39	4.00	92.00	4.18	1.65	6.00	-0.91	27.00	5.40	1.34	6.00
2000	69.00	3.14	1.25	3.00	90.00	4.09	1.60	5.00	-0.95	25.00	5.00	1.73	6.00
2010	65.00	2.95	1.25	4.00	90.00	4.09	1.60	5.00	-1.14	25.00	5.00	1.73	6.00
Social Policies	Total L	Mean L	SD L	Mode L	Total A	Mean A	SD A	Mode A	Mean L - A	Total F	Mean F	SD F	Mode F
1790	85.00	6.54	0.52	7.00	89.00	6.85	0.38	7.00	-0.31	34.00	6.80	0.45	7.00
1800	84.00	6.46	0.52	6.00	87.00	6.69	0.48	7.00	-0.23	34.00	6.80	0.45	7.00
1810	82.00	6.31	0.63	6.00	86.00	6.62	0.51	7.00	-0.31	34.00	6.80	0.45	7.00
1820	81.00	6.23	0.60	6.00	86.00	6.62	0.51	7.00	-0.38	34.00	6.80	0.45	7.00
1830	82.00	6.31	0.63	6.00	86.00	6.62	0.51	7.00	-0.31	34.00	6.80	0.45	7.00
1840	82.00	6.31	0.63	6.00	86.00	6.62	0.51	7.00	-0.31	34.00	6.80	0.45	7.00
1850	82.00	6.31	0.63	6.00	86.00	6.62	0.51	7.00	-0.31	34.00	6.80	0.45	7.00
1860	80.00	6.15	1.07	6.00	85.00	6.54	0.66	7.00	-0.38	34.00	6.80	0.45	7.00
1870	81.00	6.23	0.83	6.00	85.00	6.54	0.66	7.00	-0.31	33.00	6.60	0.55	7.00
1880	79.00	6.08	1.04	6.00	83.00	6.38	0.87	7.00	-0.31	33.00	6.60	0.55	7.00
1890	76.00	5.85	1.28	6.00	81.00	6.23	1.09	7.00	-0.38	33.00	6.60	0.55	7.00
1900	75.00	5.77	1.54	6.00	81.00	6.23	1.09	7.00	-0.46	33.00	6.60	0.55	7.00
1910	73.00	5.62	1.56	6.00	80.00	6.15	1.14	7.00	-0.54	33.00	6.60	0.55	7.00
1920	71.00	5.46	1.45	6.00	78.00	6.00	1.29	6.00	-0.54	32.00	6.40	0.89	7.00
1930	69.00	5.31	1.38	6.00	77.00	5.92	1.32	6.00	-0.62	32.00	6.40	0.89	7.00
1940	62.00	4.77	1.64	6.00	73.00	5.62	1.71	6.00	-0.85	32.00	6.40	0.89	7.00
1950	61.00	4.69	1.60	6.00	72.00	5.54	1.66	6.00	-0.85	32.00	6.40	0.89	7.00
1960	61.00	4.69	1.60	6.00	71.00	5.46	1.61	6.00	-0.77	29.00	5.80	1.10	6.00
1970	54.00	4.15	1.41	5.00	67.00	5.15	1.46	6.00	-1.00	29.00	5.80	1.10	6.00
1980	49.00	3.77	1.36	4.00	63.00	4.85	1.41	5.00	-1.08	28.00	5.60	1.52	6.00
1990	47.00	3.62	1.26	4.00	62.00	4.77	1.42	6.00	-1.15	27.00	5.40	1.34	6.00
2000	44.00	3.38	1.04	4.00	60.00	4.62	1.39	6.00	-1.23	25.00	5.00	1.73	6.00
2010	43.00	3.31	1.11	4.00	60.00	4.62	1.39	6.00	-1.31	25.00	5.00	1.73	6.00

Table 11. Static de/centralisation United States. Data from the De/Centralisation Dataset, 2019.

Regarding the fiscal dimension, the United States were extremely decentralised at birth, with a score of 6.80. In 2010 this value lowered to 5.00, which still indicates a predominance of the constituent units, but of a much lower entity.

2.1.6.2 Dynamic De/centralisation

The mean frequency of score change in all policies is of 3.55, much higher than in all other federations. This is clearly due to the longer lifespan, at least in part, which implies that the transformation has taken place in a large number of instances during time. Indeed, if we look at the magnitude, the score of -68 is very close to the -66 of Switzerland. In the administrative sphere, both frequency and magnitude are more contained, but still very high, being respectively of 2.68 and -50. The dynamic statistics for social policies are as always made of lower values, being the result of less policy areas, but still the dynamic centralisation process is evident. The mean frequencies are almost the same as the overall ones, and the magnitudes of -42 for legislation and of -29 for administration are significative. Finally, fiscal autonomy shows a high frequency of 1.8, with a magnitude of -9. This value is not so high, indeed, three sub-dimensions out of five still score 6 in 2010 (the other two score 5 and 2). However, as we have seen with the static statistics and as confirmed by the negative magnitude, a centralisation has happened also in this sphere.

	Legislative Autonomy				Adminstrative Autonomy				Fiscal Autonomy			
All Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	78	4	3.55	-68	59	1	2.68	-50	9	1	1.8	-9
Social Policies	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D	Total Freq	Mode Freq	Mean Freq	Total M & D
	46	3	3.54	-42	31	1	2.38	-29	9	1	1.8	-9

Table 12. Dynamic de/centralisation United States. Data from the De/Centralisation Dataset, 2019.

To conclude, the United States started as an extremely decentralised federation, in all three dimensions, but, especially in the legislative one, it has undertaken a consistent centralisation. This is true also for social policies, which were and are just slightly more decentralised than the overall mean.

2.1.7 Are social policies different?

In this section we have seen the static and dynamic de/centralisation trends of the six federations. The comparison between the original results and those related to social policies allows us to identify the presence or not of a divergence between the social policies and the

other policy areas.

In the case of Australia, we saw that there is no relevant difference. The values at the outset are slightly higher for social policies, but in time we observe a convergence, meaning that centralisation for social policies has even been slightly higher than the overall average. This is true for both the legislative and administrative dimensions.

Moving to Canada, as explained above, we can confirm its peculiarity with respect to the other federations. No centralisation has happened in general, nor in the field of social policies.

Also, in the case of Germany I confirm the authors' conclusions, namely that a centralisation has taken place. This is slight in both the legislative and administrative spheres, with no relevant differences between the whole of policy areas and the social policies. The centralisation in the fiscal sphere, as explained in the first chapter, should be taken into account, so it further confirms my conclusion.

The case of India also leads me to a confirmation of the original conclusions. This is because a centralisation is present for social policies, even with a greater magnitude. As a consequence, we observe a slight convergence between the overall score and the social policies score.

Finally, for the cases of Switzerland and the United States, the same conclusion can be driven. Centralisation has been strong in both federations, with no relevant difference between the overall mean and the social policies mean.

An important difference, easily identifiable observing Figures 1 to 6, is that the mean values for social policies are always higher than the overall mean values. This happens in all federations, both in the legislative and administrative spheres. This difference is always less than 1 point. However, we should also consider that, being social policy categories more than half of the total categories measured in this study, their values heavily influence the overall average. This means that the difference between the social policies and the remaining policy areas is even more substantial.

All of this said, we have a clear idea of the trends that federations followed. Now we need to understand the causes of these trends, which we will do in the following section.

2.2 Main Drivers of De/centralisation

In this section I will look at all the hypotheses to see if they can be accepted or rejected for

social policies in the same way they have been accepted or rejected in the original project. In case the hypothesis is accepted, I will confirm the conclusions of the authors regarding the drivers and causes of centralisation related to it, otherwise I will refute or modify them. This means that all the comments I will make about the statistics are referred to the social policy ones, unless I say otherwise.

2.2.1 Antecedents

The hypotheses for this category are the following:

> H1a: other things being equal, the United States, Switzerland, Canada, and Australia had lower static centralization at birth than did Germany and India.
>
> H1b: given their lower centralization at the outset, other things being equal, the United States, Switzerland, Canada, and Australia will have experienced greater dynamic centralization by 2010 than Germany and India.
>
> H1c: the older federations will have experienced the bulk of their dynamic centralization after 1920.

Regarding H1a, we should expect Germany and India to have lower values of autonomy in the first period, which means to be more centralised. This is confirmed by the data, but there are two aspects to point out. Firstly, the level of centralisation of Canada, although measured in 1870, is closer to those of Germany and India, so it confirms its exceptional nature. Secondly, in the administrative sphere, Germany was quite decentralised (5.62), but still less than Australia, Switzerland and the United States. These same conclusions are reached by the authors. This is true also for H1b and H1c. It seems that the experiencing of a stronger centralisation is correlated with a higher level of decentralisation at birth, which suggests a sort of convergence towards similar levels of centralisation, rather than a general tendency to centralise.

2.2.2 Socio-economic trends

The hypotheses for this category are the following:

> H2a: other things being equal, federations are likely to become more centralized over time as a result of these broad economic and social trends. Centralization is particularly likely to be observed in defense, economic regulation, education, environmental protection, finance and securities, law, media, and transport.
>
> H2b: other things being equal, federations are likely to have experienced more centralization since World War II as a result of globalization. The principal instrument of such centralization is the central government's use of its international treaty powers.

H2c: as regional integration has been most advanced in Western Europe, much less so in North America and largely absent in South Asia and Oceania, other things being equal, Germany and Switzerland will have experienced the strongest effect of this factor, India and Australia the weakest, and Canada and the United States a medium-strength effect.

H2d: other things being equal, Canada—the only multinational federation among our cases (see below)—will have experienced less centralization and possibly even decentralization as a result of regional integration compared to the other five federations.

The effects of globalisation (H2b) and regional integration (H2c) are quite marginal, while socio-economic modernisation (H2a) plays an important effect. Strong centralisation is present in Australia for "tertiary education" and "transport", in Canada for "environmental protection"[14], in India for "pre-tertiary education" and in Switzerland and United States for "environmental protection", "media" and "transport". As previously explained, the hypothesis on less centralisation of Canada (H2d) is accepted, even if the effect of regional integration does not seem to be a relevant cause.

2.2.3 Socio-cultural trends

The hypotheses for this category are the following:

H3a: other things being equal, Australia, Germany, India, Switzerland, and the United States will have experienced centralization as a result of citizens' identification shifting toward the federation, while Canada will have experienced the least extent of centralization, or even decentralization, particularly since 1950, as a result of bi-nationalism.

H3b: other things being equal, federations are likely to experience centralization as a result of citizens' changing expectations of the role of government.

These hypotheses are not much influenced by looking at specific policy areas, since they refer to the general trend. Both can be confirmed.

2.2.4 Economic and security shocks

The hypothesis for this category is the following:

H4: other things being equal, federations are more likely to experience centralization during economic or security shocks, and such centralization will manifest itself particularly through fiscal instruments.

Again, there is no relevant difference in assessing this hypothesis through the overall

---

[14] Differently from what expected in the hypothesis, in Canada we observe a decentralisation of "transport".

perspective or the focus on social policies. The authors observe a certain degree of centralisation corresponding to wars or economic crisis, but not significantly more than in other periods.

2.2.5 Collective attitudes

The hypothesis for this category is the following:

> H5: collective attitudes toward de/centralization will have changed as a result of economic, social, and cultural trends and created conditions for political actors' agency.

The same comments on the previous two categories are valid here. The authors confirm this hypothesis, highlighting, as an example, the difference between the push for uniformity in Germany and the opposite provincial trend in Canada. In this case a focus on social policies can reinforce the conclusions, since, as highlighted by Kaiser and Vogel (2019), the extension of social welfare and health care by the federal government is a good example of the German uniformity. However, social welfare is a policy field that experienced centralisation also in Canada.

2.2.6 Political agency

The hypotheses for this category are the following:

> H6a: other things being equal, Australia, Germany, and the United States will have experienced the highest centralization, India and Switzerland a medium level, and Canada the least centralization, or even decentralization, as a result of the varying degree of nationalization of their party system.
>
> H6b: other things being equal, centralization is more likely to occur when parties of the left control the central government, whereas decentralization is more likely to occur under parties of the right.
>
> H6c: other things being equal, centralization is more likely to occur under the watch of a centralist constitutional/supreme court.

H6a is not supported by the data. H6b slightly more, but still no relevant differences in centralisation can be observed on the basis of the political orientation of parties in government. On the contrary, the evidence supports H6c, with the constitutional or supreme courts orientations shaping the de/centralisations trends.[15]

2.2.7 Institutional properties

---

[15] However, the authors highlight that judicial behaviour is rarely opposed to the public or political will.

The hypotheses for this category are the following:

H7a: other things being equal, Australia, Canada and, to a lesser extent, Germany will have experienced less centralization than Switzerland, India, and, especially, the United States on account of their fewer constituent units.

H7b: other things being equal, Australia, Germany, Switzerland, and the United States will have experienced less centralization than Canada and India because their constituent units possess residual powers.

H7c: other things being equal, Germany and Switzerland, as more "administrative" federations, will have experienced higher centralization than the dual federations of Australia, Canada, India, and the United States.

H7d: in Germany and Switzerland, centralization will have largely been confined to the legislative sphere and taken place primarily through framework legislation.

H7e: other things being equal, Switzerland and the United States will have experienced less centralization than Australia, Canada, Germany, and India, given their non-parliamentarism.

H7f: other things being equal, Australia and Switzerland will have experienced less centralization than Canada, Germany, India, and the United States because of their provision for direct democracy.

This final category is also based on general trends, so we can confirm the same conclusions. The authors do not find empirical evidence for none of these hypotheses. H7a predicted lower centralisation for Australia and higher for India. H7b saw Canada and India as the most centralised. H7c predicted higher centralisation in the non-dual federations, Germany and Switzerland. H7d is rejected too, since in Germany centralisation was higher in the administrative sphere. This does not happen for social policies, but the two dimensions have experienced an extremely similar shift on average (0.62 and 0.54), so this is not enough to accept the hypothesis. H7e expected Switzerland and the United States to centralise less. H7f expected Australia and Switzerland to centralise less. Overall, all these hypotheses did not find empirical support from the social policies results, as it was with the overall figures. As in other cases, this is also because they refer to the overall trends and not to specific policy areas and, as we have seen, the differences between the "All Policies" trends and the "Social Policies" ones are mainly found in the of magnitude of change rather than in the patterns.

2.2.8 Drivers of centralisation

In this paragraph I will refer to the conclusions made by the authors of the project (Dardanelli et al., 2019, p. 208-209). As the authors of the project suggest, we should see the various factors as elements of a "funnel of causality". This is because it is not possible to identify a central

cause of centralisation, but rather just a series of elements, which, acting together, push in that direction. Here I try to identify the most relevant of these elements, on the basis of the just analysed hypotheses.

Antecedents are relevant, since the original level of static de/centralisation seems to deeply influence the trend. All federations in the study converged to values between 3 and 4.5 (or close to them), meaning that the systems starting their evolution from an high static decentralisation level engaged in an important centralisation pattern, while systems already close to that "equilibrium" experienced minor changes or even stability. The second relevant factor is constituted by the socio-economic and socio-cultural trends, which, sometimes reinforced by economic or security shocks (third factor), determine the general will to change the balance of the system. These effects are stronger or weaker on the basis of the fourth factor, namely the structural features of the system, as collective attitudes and economic integration.

It goes without saying that the real picture is more complex than this, and probably this study was not able to capture all the factors which contribute to the centralisation process. However, it still provides some relevant and empirically based conclusions. Here, I decided to identify just some clear and preponderant element. These are important drivers of the centralisation process, which can be used, in the next two chapters, for a comparison with the European Union. In this comparison, I keep in high consideration the main conclusions of this research. Firstly, the fact that democratic federations tend to centralise more in the legislative sphere than in the administrative one. Secondly, the important role that the binational nature of Canada played in determining its lack of centralisation. Lastly, the evidence that the level of centralisation in the social policies sphere tends to be lower than the overall level.

After having identified the central drivers of centralisation, we can move to the last section of this chapter, dedicated to an investigation of the effects of centralisation. This will be the basis for the identification of a degree of desirability for each of the possible EU scenarios.

2.3 Effects of Centralisation on Social Policies.

In this section I will investigate the effects of centralisation, in order to identify costs and benefits of it. The six federations studied will be the main reference point.

Before starting this analysis, some comments can be made already on the basis of the findings of the previous section. The original idea behind this work was a quite straightforward one. As explained in the first chapter, many debates about the future of the European Union revolve

around the willingness to centralise more, with a federalist conception of the system. For this reason, I decided that a less ideological way of arguing for or against centralisation, was to look at examples of long-established federations and see what their decision has been. Evidently, the underlying assumption here is that the equilibrium that federations adopted, during the decades or centuries of their evolution, could be considered desirable, otherwise they would not be moving in that direction. This assumption would be reinforced in the case in which I observe a majority of them following the same path. On one hand, looking at the concrete processes that long-lasting federations undertook, is a more evidence-based and less political or ideological way of suggesting a pattern of development for the European Union. On the other hand, the EU is clearly different from these federal states. Its constituent units, the Member States, are quite different from each other, in economic, political and cultural terms. However, several aspects make this comparison more fitting that one may think. The six federations under study are all democracies (and have been so since their birth), so they share most of the EU values. Two of them are European countries and five of them belong to what is commonly defined as the Western world[16]. Additionally, even if it is true that the Member States are a particular kind of constituent unit, we should also remember that the constituent units of other federations are not all of the same kind. They vary a lot in number and size, they are more or less homogeneous on cultural and economic terms, their relations with the central government and the level of citizens' identification with the federation also are of different natures. It is not by chance that various scholars, as Robert Schütze (2015, p. 45) suggest that the EU can be seen as a "Federation of States". Therefore, the juxtaposition of the European Union with these federations is not something so far from what comparative studies already do.

All of this is to say that, on the basis of the original idea behind this dissertation, the fact that a widespread centralisation of social policies happened, suggests that this pattern might be a desirable one. This may especially be the case of the European Union, considering the central role that integration has played in its history. Anyway, we have to bear in mind that the level of centralisation of social policies is lower than the overall centralisation of the federations studied, with values between 3 and 4 for the legislative sphere and values between 4 and 5 for the

---

[16] Clearly, this is not an official category, but still a widespread way of identifying states sharing a similar cultural system.

administrative dimension[17]. A second relevant point evidenced by these figures is that the administrative sphere still tends to be more decentralised, meaning that, even though the decision making is closer to the central government, constituent units are still predominant in the implementation of policies. This is in line with the principle of subsidiarity that we analysed in the first chapter.

Although the presence of a centralisation trend is a relevant element, it does not constitute a sufficient indicator. This is because the presence of a certain development does not necessarily imply an improvement. For this reason, in this section I will analyse the effect that centralisation of social policies has had on federations.

In order to provide a more objective assessment of centralisation, we can look at some indicators. Unfortunately, in many cases there are no reliable statistics going back enough decades, but still an interesting evaluation is possible. Whenever there are no data for the precise years of interest, I refer to the closest year with available data.

2.3.1 Unemployment

One indicator to look at is the unemployment rate[18], for which I have analysed data from 1991 to 2010 and compared it with the scores of the policy area "employment relations" for 1990, 2000 and 2010.

In Australia the values in these respective dates were 4, 3 and 2 (for both policy spheres), so a clear centralisation occurred in these twenty years. This corresponds to an unemployment rate of 9.58 in 1991, 6.28 in 2000 and 5.21 in 2010. In this case, the centralisation is correlated with an evident improvement.

Canada kept a stable decentralisation, with a score of 6 for all the observed period. Its path started with an unemployment rate of 10.32 in 1991, which decreased to 6.83 in 2000, but then increased again to 8.06 in 2010. The first decade of Canada, is quite similar to Australia, but in

---

[17] As a remainder. 3 = predominantly the central government; 4 = equally the central government and the constituent units; 5 = predominantly the constituent units;

[18] World Bank (nd) *Unemployment, total (% of total labor force) (modeled ILO estimate) - Australia, Canada, Germany, India, Switzerland, United States / Data*. Available at: https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=AU-CA-DE-IN-CH-US (Accessed: 28 August 2021).

the 2000s it started performing worst, and was hit much more by the economic crisis.

Germany has also been stable in all three years, but with a legislative score of 2 and an administrative one of 4. In 1991 it had an unemployment rate of 5.32, which increased to 7.92 in 2000, but then, with a good recovery from the crisis, got to 6.97 in 2010. Germany experienced a huge increase in unemployment in the first years of 2000s, but it recovered from the 2007/2008 crisis much better than the other countries (a part from India which was not hit at all).

India, as Canada and Germany, has not experienced any shift in its score, which is constantly 4. Its level of unemployment is also stable, with 5.5 in 1991, 5.75 in 2000 and 5.65 in 2010.

Switzerland had already completed its legislative centralisation in 1970, reaching a value of 3 which it has kept until today. "Employment relations" is a very decentralised policy at the administrative level, with a score of 6. Its initial level of unemployment of 1.78, in 1991, is the lowest in the sample. It increases to 2.67 in 2000 and to 4.8 in 2010. The Swiss trend is not a positive one, even if its unemployment rate is almost always lower than in all other federations.

Finally, the United States, which again has not experienced a shift in the scrutinised period. The legislative score is 4 and the administrative one is 5, in both cases they result from a centralisation from the original score of 7. Regarding the level of unemployment, it started from 6.8 in 1991, decreased to 3.99 in 2000 and reached its peak in 2010, with 9.63.

The only country experiencing a centralisation in the analysed period in Australia. The other federations do not experience a shift in values, with Canada being the most decentralised. Switzerland also is extremely decentralised, but only at the administrative level. India is balanced, while Germany tends to centralisation in the legislative sphere. The US is also more decentralised. From these trends we cannot identify a particular correlation, but two observations can be made. Firstly, in Australia the centralisation corresponds to a decrease in the level of unemployment, but this evidence is not enough to derive a solid conclusion. Secondly, the general tendency to be more decentralised administratively is confirmed.

2.3.2 Education

Another interesting indicator is the "education spending as percentage of GDP"[19]. In this case data are not uniformly available for all federations, but still some interesting correlations can be observed. The policy areas of reference are the "pre-tertiary education" (p7) and the "tertiary education" (p8).

In 1980, the education spending in Australia was 5.65 in percentage of GDP, with legislative and administrative scores of respectively 6 and 7 for pre-tertiary education. A centralisation happened in 2000 with values of 5 and 7, and again in 2010 with values of 4 and 6. The spending in these years was respectively 4.89 and 5.55. In all this period the value for "tertiary education" has been 2 for both dimensions.

In Canada decentralisation of "pre-tertiary education" and "tertiary education" has always been maximum. Still the level of spending has constantly decreased in the last decades: 7.71 in 1971, 6.46 in 1980, 5.99 in 1990, 5.44 in 2000 and 5.37 in 2010.

Also in Germany decentralisation has been maximum in "pre-tertiary education"[20] and has scored 5 (legislative) and 6 (administrative) for "tertiary education" (both 6 in 2010). In 1993 the percentage of spending was 4.41, almost stable at 4.46 in 1998 and increased to 4.94 in 2010.

For India the only data shows us a decrease from a spending of 4.32 in 2000 to 3.38 in 2010. This corresponds to a stable level of legislative autonomy of 4 and administrative autonomy of 5 for p7 and of 2 and 3 for p8.

In Switzerland we have data since 1970, so we can observe the whole trend in forty years, always corresponding to a legislative autonomy of 6 and an administrative autonomy of 7 for p7, while for p8 we have 6 in both dimensions in 1970, 1980 and 1990, and 5 in both dimensions in 2000 and 2001. The trend is the following: 3.49 in 1970, 4.36 in 1980, 4.52 in 1990, 4.78 in 2000 and 4.93 in 2010. This corresponds to a moderate but stable increase in time.

Unfortunately, I was not able to find data on the level of government expenditure on education

---

[19] UNESCO (nd) *UIS Statistics – Government expenditure on education as a percentage of GDP*. Available at: http://data.uis.unesco.org/# (Accessed: 28 August 2021).

[20] Only a score of 6 for the administrative dimension in 2010.

for the United States, which in both the scrutinised policy areas have centralised up to scores of 4 for legislative autonomy and 6 for administrative autonomy.

In this case, no clear correlation is found. Highly decentralised countries have followed different patterns, with a decrease in spending in Canada, but an increase in Germany and Switzerland. In Australia we observe a centralisation, but no clear trend in the level of spending. In India a decrease in spending, but with no particular changes in the levels of policy autonomy.

2.3.3 Health care

In this case, I only obtained data for 2000 and 2010. Anyway, we can compare the levels of "health care spending as percentage of GDP"[21] with the levels of de/centralisation of the various federations for the policy area "health care".

In Australia, in both years, the legislative value is 3 and the administrative value is 4. The level of spending is 7.61 in 2000 and 8.43 in 2010.

In Canada both years score 5 legislative and 6 administrative, with a level of spending of 8.28 in 2000 and 10.68 in 2010.

In Germany legislative autonomy scores 2, while administrative autonomy scores 6, both in 2000 and 2010. The level of spending in 2000 is 9.89, while in 2010 it is 11.1.

India scores 5 in both years and in both dimensions, with a spending of only 4.03 in 2000 and of 3.27 in 2010.

Switzerland scores 4 legislatively and 6 administratively, again with the same values for both years. The levels of spending of the Swiss Federation are of 9.37 in 2000 and of 10.28 in 2010.

Finally, in the United States the scores are 4 and 5 in 2000, with the legislative dimension decreasing to 3 in 2010. The level of health spending here is the highest, with 12.54 in 2000 and 16.35 in 2010.

Statistics on health care confirm us that also in this policy area the level of administrative

---

[21] World Bank (nd) *Current health expenditure (% of GDP) - Australia, Canada, Germany, India, Switzerland, United States | Data*. Available at: https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=AU-CA-DE-IN-CH-US (Accessed: 28 August 2021).

decentralisation is higher than in the legislative sphere. Anyway, no particular relation seems to be in place between the level of de/centralisation and the level of spending. The United States spends the most, but it has similar scores to Australia, which is the second worse on spending. India has by far the lowest level of spending, but its level of de/centralisation is similar to those of Canada and Switzerland.

2.3.4 Social welfare and inequalities

The last comparison I want to make is between the "Social Welfare" policy area and the level of inequality, measured through the Gini Index (the higher the value, the greater the level of inequality)[22]. Since the social welfare measures are aimed at providing the basic human needs and, as written in the Merriam-Webster Dictionary, are for the "assistance of disadvantaged groups"[23], the comparison seems fitting.

In Australia the level of legislative and administrative autonomy is 2 from 1980 to 2010, with the Gini Index scoring 31.1 in 1981, 33.2 in 1989, 33.5 in 2001 and 34.7 in 2010.

In Canada, from 1980 to 2010, the autonomy score is always 3 for both dimensions. The Index values are the following: 32.4 in 1981, 31 in 1991, 33.3 in 2000 and 33.6 in 2010.

Moving to Germany, the legislative and administrative scores have respectively been of 1 and 4 in 1990, 1 and 3 in 2000, 2 and 3 in 2001. The Gini Index in these years has been 29.2 in 1991, 28.8 in 2000 and 30.2 in 2010.

In India the policy scores have always been 4 and 5, with a Gini Index of 32.1 in 1983, 31.7 in 1993, 34.4 in 2004 and 35.7 in 2011.

The scores for Switzerland on this policy were of 3 and 6 for the period from 1980 to 2000, decreasing to 2 and 6 in 2010. The Gini Index was 36 in 1982, 33.9 in 1992, 33.4 in 2000 and 32.6 in 2010.

---

[22] World Bank (nd) *Gini index (World Bank estimate) - Switzerland, United States, Canada, India, Australia, Germany / Data*. Available at: https://data.worldbank.org/indicator/SI.POV.GINI?contextual=default&end=2018&locations=CH-US-CA-IN-AU-DE&name_desc=false&start=1971&view=chart (Accessed: 28 August 2021).

[23] Merriam-Webster Dictionary. (online) *Definition of SOCIAL WELFARE*. Available at: https://www.merriam-webster.com/dictionary/social%20welfare (Accessed: 28 August 2021).

To conclude, in the United States, the scores have been of 3 and 5 from 1980 to 2000 and of 2 and 5 in 2010. The Index value was of 34.5 in 1979, 38 in 1991, 40.1 in 2000 and 40 in 2010.

Commenting on the Index, we can notice the very high values of the United States and the low values of Germany, with Switzerland getting closer to it (Canada used to be at a similar level in the 90s, but now it has increased). However, no relevant connections seem to be found between the index and the policy scores. The Unites States have the highest Index, but their level of legislative autonomy is similar to the ones of Australia, Canada and Switzerland, which have much lower indexes. Additionally, its level of administrative autonomy is also similar to Switzerland. One may suggest that centralisation slightly correlates with a lower Gini Index, considering that the values of US and India are fairly high, while those of Germany are quite low. However, Australia, the most centralised, does not score better than Canada, Switzerland or Germany.

2.4 Lessons from the Six Federations

This analysis of the six federations has allowed me to derive a series of conclusions and insights about the de/centralisation process, its causes and its effects. I have already commented on my findings in each paragraph, so here I will just summarise the most relevant points and provide and overall assessment.

Regarding the analysis of the de/centralisation trends. The six different federations experienced different patterns of development, namely a strong centralisation for Australia, Switzerland and the United States, stability or slight centralisation for Germany and India, and stability or slight decentralisation in Canada. No relevant differences were found between the general policy trend and the specific social policy trend. However, social policies are in all cases, on average, more decentralised than other policy areas, so this should be taken into account. The results do not completely confirm the presence of a widespread centralisation trend, but rather a tendency to converge towards a certain level of centralisation. This implies that federations starting from a higher level of centralisation, typically those with a longer lifespan, are also the ones experiencing a stronger dynamic centralisation. On the contrary, federations which are already fairly centralised, will mainly keep their stability. It goes without saying that the cases of these six federations do not constitute a representative sample of all federal systems, but it is still possible to contextualise the lessons learnt from them.

Moving to some comments on the causes of centralisation, we saw that it is better to interpret

them as constituting a funnel of causality, where they weight differently and influence each other. Due to their prominence and ability to be observed, I identified the following three drivers: initial level of static de/centralisation, socio-economic and socio-cultural trends (possibly reinforced by shocks), structural features (collective attitudes and economic integration).

Finally, regarding the consequences of centralisation, I have already explained that the results observed in the six federations are comparable with the EU. This means that, on the basis of the level of static de/centralisation that I will observe in the EU, in the next chapter, we can foresee a certain pattern. Additionally, we have to consider that all federations favoured a lower level of administrative centralisation, which suggests a sort of protection of the principle of subsidiarity. This is because, even though policy making is centralised, still the implementation of the policies is entrusted to the constituent units, which possess a greater ability to act locally. To conclude, I should make some comments on the comparison between the policy scores and the indexes.

I observed four indicators: unemployment rate, education spending, health care spending, Gini Index. I compared each of them, respectively, with the scores of the five following policy categories: employment relations, pre-tertiary and tertiary education, health care, social welfare. There does not seem to be a relevant correlation between the policy scores and the indexes in none of the four areas. In Australia, we observe, from 1991 to 2010, a clear centralisation and a sharp decrease in the unemployment rate, but the other five federations do not provide additional evidence in this direction. Additionally, comparing "social welfare" centralisation with the Gini Indexes in the US, India and Germany, we observe a positive correlation between centralisation and lower inequalities. This is maybe the most relevant finding, but still only supported by half of my sample.

The lesson I derive from the observation of the six federations is that de/centralisation trends are occurring, and they can be related to certain drivers. This means that it is possible to make hypotheses about future de/centralisation trends. However, the different levels of centralisation in the six federations observed, do not correspond to striking differences in their performances in the dimensions observed. The minor evidence found, slightly favours centralised countries. Consequently, we can say that a centralisation, if occurring within the levels observed in this study, and if regarding mainly the legislative sphere, can be desirable in the fields of employment relations and welfare policies.

In the next chapter, I will look at the European Union evolution pattern, starting from the pre-Maastricht framework, up to the current situation, characterised by the NextGenerationEU.

3 Social Policies in the European Union: Historical Evolution, Causes and Consequences

In this chapter I will look at the evolution of the European Union, with regard to its level of centralisation of social policies. The structure will be similar to the one of chapter two. In the first section I will analyse the trend occurring from 1990 until today, using the same model adopted for the study of federations. In the second section I will identify the main forces behind the EU trend. Finally, in the third section, I will look at the effects that these changes have had on social policies within the EU system.

3.1 The evolution pattern: from pre-Maastricht to the NextGenerationEU

In this section I will apply the analytical model to the European Union. My analysis will cover a thirty-years period, from 1990 to 2020. This period is much shorter than the ones analysed for the federations, but we have to consider that the European Union, was born only in 1951 with the Treaty of Paris. At the time, it was the European Coal and Steel Community (ECSC), an extremely different entity from what we observe today. Additionally, since major changes can be observed since 1993 with the Maastricht Treaty, I will only take 1990 as a reference point to describe the pre-Maastricht Union.

As a consequence, the four years of reference are 1990, 2000, 2010 and 2020. I will measure the policy and fiscal scores in each of these years. In order to do this, I will refer to the Treaties of reference in each of these years. For 1990 I will refer to the European Economic Community (EEC) Treaty of 1958 and to the Single European Act (SEA) of 1987. For 2000 the treaties of reference will be the Maastricht Treaty of 1993 the Treaty of Amsterdam of 1999, but also the Treaty of Nice of 2003, since it is tied to the European Union system created with Maastricht and reformed with Lisbon. For 2010, the Lisbon Treaty of 2009 will be the reference point. Finally, for 2020, even if there is no new treaty to refer to, the impact of the measures taken during the Covid crisis, especially the NextGenerationEU, is so great that this latter document will be considered the reference point.

Given this methodological clarification, we can move to the observation of the results to see if some relevant trends in time are identifiable.

3.1.1 Social Policies in 1990: pre-Maastricht

The Treaty of Rome, or Treaty establishing the European Economic Community, of 1958, is the reference document through all the thirty-five years before the Maastricht Treaty (1993).

The Single European Act of 1986 partially modified to EEC Treaty, so I will also consider it. I will also refer to the first Social Action Programme (SAP) of 1974.

3.1.1.1 Policy dimension

The Treaty of Rome contained articles on "Social Provisions" (art. 117 to 122) and "European Social Fund" (art. 123 to 128), in Part Three, Title III. However, as both Dodo (2014, p.54) and Schütze (2015, p.816) argue, the prerogative in this area was still in the hands of Member States, with the Commission not really able to act. This could be translated in the model with a score of 7, namely maximum autonomy, for all policy areas. However, minor centralisation efforts occurred for some policies.

The first SAP of 1974 introduced some directives, which were aimed at protecting employees, so we are in the field of "employment relations". However, the directives, regulated by article 100 of the EEC Treaty, required unanimous consent by all MSs. Since each Member State can potentially block any decision, this can't be considered a loss of autonomy.

With the Single European Act of 1986, we have for the first time the possibility of adopting directives with a qualified majority for the implementation of minimum standards in the field of health and safety of workers. For this reason, we observe a slight centralisation for the areas of "employment relations", "health" and "social welfare". Since the directive just sets the goal to achieve, but it does not prescribe a specific way of achieving that, we can say the total autonomy is still present in the administrative sphere. The SEA also contains an "Environment Title", but it just pushes for a common policy, without limiting the autonomy of MSs.

3.1.1.2 Fiscal dimension

Moving to the fiscal sphere, we can safely say that autonomy was maximum in all spheres, since significative fiscal restrictions for Member States will be only introduced with the Maastricht Treaty.

3.1.2 Social Policies in 2000: Treaty of Maastricht

In this decade the central document of reference is certainly the Maastricht Treaty of 1993. This treaty included the Protocol on Social Policy (containing the Social Charter of 1989 and the Agreement on Social Policy of 1992). However, I will also consider the influence of the Treaty of Amsterdam (1999) and the Treaty of Nice (2003). The latter has entered into force after 2000, but it still belongs to the system created with Maastricht, which preceded the European Union

as we know it today (founded on the Lisbon Treaty), so I decided to group it with Maastricht and Amsterdam. A relevant effect of the Amsterdam Treaty is that it deleted the Social Policy Protocol and modified it, leading to a revised "Social Chapter", which included the Agreement on Social Policy.[24]

3.1.2.1 Policy dimension

I will now go through the different policy areas in order to assess the level of autonomy Member States enjoyed after the three above-mentioned treaties.

The first policy category is "citizenship and immigration". With the Treaty of Maastricht, legislation on matters as asylum, border control, immigration and third-country nationals policy entered the EU framework. The Treaty of Amsterdam gave co-decision power on the issue to the Council. The criteria for the acquisition of the citizenship of a MS are still fully autonomous. However, with the creation of the European citizenship, we have a de facto decrease of autonomy. This is because EU citizens enjoy a series of rights in all MSs. We can imagine the case of a State A with very a very stringent criterium for citizenship acquisition and a second State B with minimal requirements for the concession of citizenship. If a third country national is not able to obtain the citizenship of State A, s/he may become citizen of State B, and then move to State A, enjoying the rights of a European citizen. Clealry, this process is not so straightforward in practical terms, but it shows the loss of autonomy on citizenship matters associated with the creation of the EU citizenship (to be more precise, before Lisbon we should talk of "European Community" citizenship). For these reasons I decided to assign a score of 6 to this policy area, to represent this partial loss of autonomy.

As anticipated, the Protocol on Social Policy is included in the Treaty. It covers a series of areas, giving to the Council the power to adopt minimum standards through directives. These areas are the same covered by the SEA, namely "employment relations", "health care" and "social welfare", but the level of centralisation is slightly increased, to a score of 5. The sovereignty of MSs in the administrative dimension is still left untouched.

In the "environmental protection" and "natural resources" sphere, we have the ability of the

---

[24] This was because, until 1997, the UK had opted-out from the Agreement, so the Protocol structure was needed to be able to sign the Maastricht Treaty, which required unanimity (Eurofound).

Community to conclude negotiations and agreements with third parties, in the environmental matter (art. 130 R). The co-decision procedure and qualified majority voting in the Council were introduced. The Treaty of Amsterdam integrated environmental protection into EU sectoral policies. A loss of autonomy, still only at the legislative level, can be found in this area. I decided to give it a score of 5, considering the preponderant role that international treaties have in shaping environmental policies.

No relevant loss of autonomy can be found in the fields of education (art. 126 – 127), culture (art. 128) and transports (art. 129 B), where the European Community only played a coordination or support role.

3.1.2.2 Fiscal dimension

Moving to the fiscal sphere, some relevant changes can be identified. Obviously, major events in this regard are the introduction of the common currency and the European Central Bank (ECB), together with the limiting of deficit to 3% of GDP and public debt to 60% of GDP, a rule further elaborated with the Stability and Growth Pact (SGP) of 1997. Anyway, we should bear in mind that there was no fiscal union in the EU, but just an Economic and Monetary Union (EMU). The European Union did not levy taxes on the european citizens, so it did not have a revenue of this sort. The European Fiscal Board, with reference to the economic governance framework following the Maastricht Treaty, speaks of a "single monetary policy and decentralised fiscal policies" (2019, p. 9). However, this decentralised nature is still surrounded by a series of constraints which indirectly limit the fiscal autonomy of MSs.

Regarding the first sub-dimension, namely the proportion of own-source revenues out of total revenues, the autonomy is still maximum. Indeed, all the revenues of MSs are the ones they autonomously collect. The Delors Package of 1988 introduced the national contributions to the own-source revenues of the EU, so MSs get these funds for certain policies. However, since these revenues result from national contributions, not from direct EU taxation, we cannot consider them as revenues coming from the central government. I gave a score of 6 to this category in order to consider the above-mentioned external constraint of the SGP.

The second sub-dimension measures the restrictions that a Member State faces in raising own-source revenues, also in this case I decided to assign a score of 6, since, even in the absence of formal restriction, the general SGP limits prevent the MSs from having a maximum level of autonomy.

Regarding the third fiscal area, the proportion of conditional grants out of all MS revenues, again we can repeat the same conclusion of the first two sub-dimensions. The funds coming from the EU result from the pooling of MSs' own resources, so they cannot be considered as a transfer from the central government to constituent units. Anyway, since the role of this parameter is to measure autonomy, we can still argue that the presence of a large amount of conditional funds from the EU, would imply a lower level of spending autonomy. For this reason, this category also gets a score of 6.

Moving to the fourth sub-dimension, that is the "degree of conditionality", we can say that the stringency of the conditions takes different forms. The "convergence criteria" and the SGP are two relevant requirements to be in the EMU. As highlighted by Ferrer and his colleagues (2018) also the Copenhagen criteria, for entering the EU, can be considered ad a general form of conditionality. In general, an autonomy score of 5 is more fitting for this category. This is because, the presence of these conditions further decreases the autonomy of the MS, when willing to access EU funds.

Lastly, the freedom of a Member State to raise revenues through borrowing. Being sovereign states, they enjoy maximum freedom to borrow money. Again, the score should be 6, considering the constraints on debt and deficit.

3.1.3 Social Policies in 2010: Treaty of Lisbon

With the entering into force, in 2009, of the Treaty of Lisbon, the EU is deeply changed, with the end of the European Community. Schütze (2015) speaks of a "new" European Union to highlight the entity of the transformation. Evidently, the Treaty of Lisbon will be the central source in this paragraph.

As already mentioned, the Lisbon Treaty identifies social policies as an area of shared competence. Article 6 of the Treaty on the Functioning of the European Union (TFEU) states that the EU can "support, coordinate and supplement the actions of Member States" in the fields of, among others, improvement of human health, culture, education, civil protection. In general, the EU main function in the realm of social policies is that of coordinating the action of MSs and of setting the standards. The Open Method of Coordination (OMC) is an example of this "background" role of the EU. Instruments as the OMC are not so relevant for this research, since they do not relevantly influence the level of legislative or administrative autonomy of MSs. As highlighted by Verdun and D'Erman (2020, p. 37) the EU is mainly present in social

policy areas related to the single market, namely employment relations, or health and social welfare when related to job secuirty issues. However, the voice of the EU on social matters, even if increased, has not been transformed into a greater ability to legislate in most cases.

3.1.3.1 Policy dimension

In a series of areas, we can't observe any further centralisation with respect to the pre-Lisbon period. This is the case of "citizenship and immigration", with the Policy Plan on Asylum of 2008 preparing the ground for a common policy, but still in a coordination perspective.

Transport policy (art. 90 to 100 TFEU) is still predominantly in the hands of Member States, with the EU legislation regarding mainly the common transport policy, so international transport issues. However, some minimum standards, as in the case of transport safety (art. 91) are set by the European Parliament and the Council, so a slight legislative centralisation can be observed here.

Education also falls in this category, with the EU promoting initiatives as the Erasmus programme, but with no interference in the domestic legislation about education.

The Lisbon Treaty made the EU Charter of Fundamental Rights legally binding, so it strengthened the ability of the EU to have its core values of human rights and dignity respected. However, considering the conditions to access the EU and the already mentioned common standards, this does not lead to a further restriction of the policy-making ability of MSs in related policy fields, as "health care", "law enforcement" and "social welfare".

Regarding the European Employment Strategy (EES), it was modified already in 2005 with the Lisbon Strategy and in 2010 the Europe 2020 Strategy was launched. Within the different elements of the EES, the Country-Specific Recommendations are a central instrument of action to influence employment policies. However, their non-binding nature prevents them from being considered a relevant centralisation instrument.

Shifting to the "environmental protection" and "natural resources" areas, the EU acts in a series of different ways. Environmental liability is an example, regulated by Directive 2004/35/CE, based on the "polluter pays" principle (art. 191 TFEU). The EU is also a central actor in international agreements on climate change, with its important role in the United Nations Framework on Climate Change of 1994, Kyoto Protocol entered into force in 2005 or the Paris Agreement of 2015. Anyway, the score of 5 in the legislative sphere is already sufficient to

describe its influence on the policy-making ability of MSs, since we still have a legislative activity limited to setting thresholds, standards or objectives to reach.

The EU intervenes in the field of "culture", with article 167 TFEU, by encouraging cooperation and supporting MSs, but only through incentives and recommendations. This provision was present also in the Maastricht Treaty (art. 151 TEC). In 2007 the Commission presented a "European agenda for culture in a globalising world"[25], showing its willingness to intervene in the field, but still just through the use of cooperation and shared objectives.

The "media" and "language" policy areas are not present in the European framework, but a series of provisions related to these fields can be found. The creation of the European Indicator of Language Competence in 2005, the European Parliament resolutions on multilingualism (2009) and on media literacy (2008). Evidently, this does not imply any loss of autonomy in these policy fields for Member States.

It is visible from this analysis that no relevant further centralisation was brought with the Lisbon Treaty in the field of social policies. The most centralised areas are the ones more strictly related to the economic sphere, as "employment relations", "social welfare" and "health care" (mostly related to safety standards). Other areas in which MS do not enjoy maximum autonomy are the ones with a more international character, as "environmental protection", "natural resources" and "transports". Maximum legislative autonomy is still present in six of the thirteen policy areas. In all cases the administrative sphere is fully decentralised.

3.1.3.2 Fiscal dimension

After this analysis of the policy dimension, we can try to see if a fiscal centralisation has occurred with the Lisbon Treaty. It is important to remember that in 2010 the EU was experiencing the Greek sovereign debt crisis in the aftermath of the 2007 – 2008 financial crisis. Most of the fiscal reforms generated by the Greek crisis are observable during the 2010 – 2020 decade, but already in 2008, we have the activation of the European Economic Recovery Plan (EERP)[26] with a national budgetary stimulus package of 200 billion, namely 1.5% of EU GDP.

---

[25] European Commission (2007) 'European agenda for culture in a globalizing world', Brussels. Available at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0242:FIN:EN:PDF

[26] European Commission (2008) 'European Economic Recovery Plan', Brussels. Available at: https://ec.europa.eu/economy_finance/publications/pages/publication13504_en.pdf

Since the vast majority of this funds (170 bn) came from the budgets of MSs, we cannot say that a centralisation has occurred in the first fiscal dimension. The EU response to the crisis, led to a tightening of the restrictions, with the more unstable states having less freedom of manoeuvre in their choice of budgetary policy. Can we argue that a fiscal centralisation has occurred, by looking at the other sub-dimensions? Regarding the second sub-dimension, there were no new restrictions on the ability of MSs to raise revenues. Restrictions were mainly regarding the kind of investments States had to make, while the deficit and debts constraints were still those deriving from the SGP. Neither the proportion of conditional grants can be considered significantly enhanced, since each MSs operated mainly through a national stimulus. The fourth sub-dimension, the degree of conditionality, is the only one in which we observe a slight centralisation, to a value of 4. Funds obtained by the European Investment Bank (EIB) had to addressed to policies in line with the EU planning. We have to bear in mind that the degree of conditionality only regards conditional grants, so even an extremely high level of conditionality, in a situation in which conditional grants are minimum, will have a minimum impact. The centralisation of this category is not a great surprise. The EU does not have a strong ability to shape MSs' expenditures related to national budgets. This means that the expenditures on which it can exercise an influence are mainly those done through its grants, on which it can attach conditions. Finally, the last element, that is freedom to borrow, is also left unchanged.

3.1.4 Social Policies in 2020: NextGenerationEU

In the last paragraph we saw the european framework after the Lisbon Treaty, which is the one still in place today. Anyway, it goes without saying that the founding treaties are not the only source of EU law. The evolution of the European Union is constant, taking the most varied forms, from international agreements to country-specific recommendations. In the last decade many changes have occurred, with the development of new strategies, funds and programmes. The most relevant interventions are clearly those of 2020/2021 in response to the Covid crisis, notably the NextGenerationEU (NGEU). For this reason, in this paragraph, after a preliminary overview of other initiatives related to social policies, I will focus on the NGEU, also referred to as Recovery Plan.

The experience of the financial crisis caused the EU to make extraordinary efforts, in the following years, to implement measures aimed at improving the coordination and the financial stability of MSs. Indeed, most of the reforms hint at this general objective. Firstly, the SGP

experienced a series of reforms, starting in 2011 with the Six Pack[27] improving, within other aspects, the quality of national accounting and statistics. In 2013 we had the Two Pack[28], introducing the Draft Budgetary Plans for euro area countries. The Treaty on Stability, Coordination and Governance in the Economic and Monetary Union[29] entered into force in the same year, with Title III (Fiscal Compact) requiring national budgets to be in balance or surplus. A central addition to the EMU framework is the European Semester, a system in which MSs discuss their budgetary plans in the first part of the year (the semester), before acting in the second part of the year. This mechanism contextualises all the just mentioned instruments. Clearly, a series of other reforms were carried out in this decade, but here we will only touch those affecting the content of this study.

Before analysing the policy and fiscal dimensions, it is useful to introduce the contents of the Next Generation EU

3.1.4.1 The NextGenerationEU

On the 27th of May 2020 the European Commission proposed the NextGenerationEU, which was approved by the European Council on the 21st of July of the same year. The 750 billion fund is coupled with the 2021-2027 EU long-term budget, also known as Multiannual Financial Framework (MFF) consisting of 1,074.3 billion, for a total size of 1,824.3 billion. These figures are based on 2018 prices, while the figures provided by the European Commission in April 2021 are of 806.9 billion for the NGEU and 1,211 billion for the MFF, for a total of 2,018

---

[27] Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States. Official Journal of the European Union, L 306, 23 November 2011. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2011:306:TOC

[28] Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability. Official Journal of the European Union, L 140, 27 May 2013. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2013:140:TOC;

Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area. Official Journal of the European Union, L 140, 27 May 2013. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2013:140:TOC

[29] 'Treaty on Stability, Coordination and Governance in the Economic and Monetary Union' (2013). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:42012A0302(01)&from=EN

billion stimulus package.[30] Additionally, in March 2020, the Stability and Growth Pact was suspended, and it will not be reactivated at least until 2022. A central element to consider is that the vast majority of transfers and loans to MSs requires the latter to adopt strategies in line with the country-specific recommendations of the European Semester. Therefore, since the EU funding is conditional to the implementation of certain policies, it follows that the willingness of MSs to obtain the funds is a supplementary incentive to follow the just mentioned recommendations. As highlighted by Buti and Messori (2020, p. 11) the "access to the relevant resources by countries would be neither easy nor unconditional", so a concrete effort by MSs to follow the EU suggestions will be necessary. In light of this, in the analysis of policy autonomy, I will assess the influence that the EU has on decision-making by looking at which policy areas are most prominent in the NGEU. My assumption is that the presence of a certain policy area in the NGEU implies that the MSs' autonomy in acting in that field is reduced. To say this in a different way, the EU has a predominant role in the definition of the contents of the NGEU, so all policies present in this programme are policies in which we observe a centralising effort by the European Union. To further reinforce this point, we can consider that the EU even provides examples of possible investments and reforms in a series of different areas[31]. All of this said, we can move to the sub-paragraph on policy autonomy.

3.1.4.2 Policy dimension

Starting from the "citizenship and immigration" category, one of the seven Headings in the "Facts and Figures" document, published by the European Commission (2021), is "Migration and Border Management" with investments in the Funds for "Asylum, Migration and Integration" and for "Integrated Border Management". In this case the level of centralisation is just slight, moving from 6 to 5, so still predominantly in the hands of the constituent units. The first reason for this is that these funds mainly concern common immigration policy, so the national impact is limited. Secondly, the citizenship acquisition criteria, which constitute a central component of this policy field, are still left untouched.

---

[30] European Commission (2021) 'The EU's 2021-2027 long-term Budget and NextGenerationEU: Facts and Figures', Brussels. Available at: https://op.europa.eu/en/publication-detail/-/publication/d3e77637-a963-11eb-9585-01aa75ed71a1/language-en

[31] European Commission (nd) 'Recovery and Resilience Facility'. Available at: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en (Accessed: 13 September 2021).

Regarding the fields of "culture" and "media", the Creative Europe programme was created in 2013. It was carried out in the 2014 - 2020 period, with a budget of 1.47 billion and it was expanded for the 2021 - 2027 period with a budget of 2.44 billion. The effect on national policies is marginal, but we still observe a centralisation, considering that these fields used to be completely in the hands of MSs.

Moving to the "pre-tertiary education" and "tertiary education" areas, the NextGenerationEU does push MSs to intervene in through various investments or reforms as developing ICT programmes, increasing digital instruments for learning or investing in digital skills of professors. All of this is in line with the European Education Area[32]. In general, education is caught in the general push for digitalisation and modernisation, so the level of autonomy here is much decreased, to a level of 4 (only in the legislative sphere).

Another area on which the EU has focused its attention is that of social rights, with particular emphasis, in line with what we observed in the previous periods, on the rights of workers. Therefore, this effort touches the three policy fields of "employment relations", "health care" and "social welfare". The necessity to implement the European Pillar of Social Rights is highlighted in the NGEU proposal of the European Commission[33]. In all these cases I assigned a score of 4 to the legislative dimension. This is because the level of autonomy can be seen as midway between the Member State, who has to develop certain policies, and the EU, who has to accept them.

The general impetus towards sustainability and green economy touches other three central policy areas, namely "environmental protection", "natural resources" and "transport". In these fields, the legislative score is again of 4, with the Commission highlighting the importance of the European Green Deal. The transport sector, both private and public, is a central area of action for the green revolution, with investments both in the means of transports and in the designing of more sustainable cities. Clearly, the environmental protection area, with the paramount importance that the fight to climate change has for the green revolution, is a central

---

[32] European Commission (nd) 'European Education Area, Education and Training'. Available at: https://ec.europa.eu/education/education-in-the-eu/european-education-area_en (Accessed: 13 September 2021).

[33] European Commission (2020) 'Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions' Brussels. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0456&from=EN

necessity for the sustainability principle. The same holds for the management of natural resources.

The "law enforcement" sector is also touched by this framework, with its digitalisation being one of the necessary reforms.

Finally, the "language" area is almost untouched. There is no specific focus on language issues. However, I assigned a score of 6 to this category, since the overwhelming effect of the NGEU, especially in its interventions regarding immigration and education, reaches also language related policies.

In all policy areas the administrative autonomy is still totally in the hands of Member States, who are fully responsible for the implementation of the agreed-upon policies. The only exception is the "citizenship and immigration" category, in which the presence of EU citizenship prevents the MSs to enjoy full autonomy. One may argue that the ability of the EU to block the funding to MSs makes it able to indirectly influence also their administrative sphere. However, this is because the boundary between legislative and administrative sphere is not always clear-cut, the two spherse may influence each other. This is because the legislator, by defining the content of the policy, is also defining the boundaries within which the administrator has to act. At the same time, the entity responsible for the implementation of the policy, may be able to deviate from these boundaries, determining in this way a change in the core content of the policy. For this reason, it is sufficient to assume that the EU partially controls just the legislative sphere, which in turn gives it a natural indirect ability control the administrative action, by determining its boundaries.

Given these autonomy scores, which I will compare with the other period's scores in the following paragraph, we can move to the analysis of the fiscal dimension.

3.1.4.3 Fiscal dimension

The huge amounts of funding that the MSs are receiving from the EU, are clearly determining a shift in the levels of fiscal autonomy. Here I try to understand which sub-dimensions of fiscal autonomy are the most affected by this programme.

Starting from the level of own-source revenues out of the total, it is important to distinguish the different natures of the resources coming from the European Union. Out of the 2,018 stimulus package, 1,211 billion come from the long-term budget of the EU, so it is mainly made of the

national contributions. For this reason, as we said in the previous paragraph, we cannot observe a centralisation by looking at this portion. Anyway, the remaining 806.9 billion constitutes an sum raised by the EU by borrowing money on the market, so it can be considered an additional revenue for MSs, which will receive it in the form of loans and grants. All States will have different budgets and will receive different portions of the NGEU funds, so, in order to estimate a degree of fiscal centralisation, we should consider an average of the various MSs' situations. We can imagine that the funds will be distributed in four-years period, from 2021 to 2024, so in order to compute the average contribution to the State budget, we can divide the sum by four. Clearly the grants and loans will not be provided in equal amounts each year, but this division still provides us with an average impact in the 2021 - 2024 period. If we look at the case of Italy, with its quota of 191 billion, we obtain an average value of 48 billion a year, with a total general government expenditure of 946 billion in 2020 as a reference value. This gives us an impact of around 5% of the EU transfer on the total budget of Italy. We have to considering that the threshold to move from a score of 7 to a score of 6 is 11%, and that Italy, although having one of the highest national budgets in the EU, is also the country receiving the largest amount of funds from the Union. For this reason, we can safely state that all EU countries are keeping a maximum level of fiscal autonomy in the first sub-dimension. The suspension of the SGP eliminates also the external constraint that made me attribute a score of 6 in the previous decades.

For the second sub-dimension we can make the same reasoning, considering that the EU intervention has not focused on restricting the ability to raise revenues by MSs. On the contrary, the suspension of the GSP has given more freedom from this point of view. The increase of the Italian debt over PIL ratio from 135% (2019) to around 160% (2021) is an example of this[34].

A centralisation is instead present in the third and fourth sub-dimensions, with a relevant increase in conditional grants and in the degree of conditionality. The reasons for this are clear from what we saw in the previous sub-paragraphs. I assigned to both categories a level of 2, in order to indicate the presence of a large amount of funds subject to a strong conditionality. Anyway, the flexibility that the EU will have in assessing the reforms and investments would be possible to evaluate only in the coming years.

---

[34] The increase in the ratio is also due to a decrease in PIL.

Finally, looking at the freedom to borrow, I assigned it a value of 7, as for the first two categories. This is because the ability of MSs to generate more debt is largely reflected in a greater ability to borrow money.

3.1.5 Analysis of the pattern

After having observed the scores in the different time periods, we can make a comparison in order to understand which de/centralisation patter has been experienced by the European Union. The scores for all the policy and fiscal categories, for the four selected time periods, are shown in Table 13. Here I will not show the figures of dynamic de/centralisation, since the presence of only four intervals allows us to visually observe the relevant trends. Statics de/centralisation figures are instead shown in Table 14.

3.1.5.1 Overall scores

Looking at the pre-Maastricht period, it is evident that the level of decentralisation is almost maximum, with scores of 7 for almost all the categories. The only exceptions are the three policy areas touched by the Single European Act, namely those related to the health and safety of workers. The administrative dimension is totally decentralised.

After the Treaty of Maastricht, we observe a slight change, with the above mentioned three policy areas facing further centralisation. The EU also starts to influence the environment related areas, for which we observe a score of 6. The creation of the EU citizenship pushes both the legislative and the administrative scores to a value of 6. A centralisation occurs in all fiscal sub-dimensions, with the advent of the SAP, especially with regard to the degree of conditionality.

Even though the Lisbon Treaty deeply transformed the EU, I have not measured a strong dynamic centralisation in the field of social policies, with the only addition of minimum standard for transport policies, which moved from a score of 7 to a score of 6. A minor centralisation can be also observed in the fiscal sphere, with a shift of one point in the degree of conditionality. This is due to the role of the European Investment Bank.

Finally, with the NextGenerationEU, we observe a shift in all policy and fiscal categories. A centralisation is observable in the legislative dimension of all policy fields, with a further centralisation of the ones already partially controlled by the EU and also an increase of the EU control on those previously left to MSs. This overreaching effect is due to the comprehensive nature of the NGEU, which is aimed at completely restructuring the MSs' systems. Indeed, the

71

digital and green transformations are extended to almost all areas, from education to workplace, from transports to hospitals.

	Pre - Maastricht		Post - Maastricht		Post - Lisbon		NextGenEU	
Policy Autonomy	L	A	L	A	L	A	L	A
Citizenship and Immigration	7	7	6	6	6	6	5	6
Culture	7	7	7	7	7	7	6	7
Pre-tertiary Education	7	7	7	7	7	7	4	7
Tertiary Education	7	7	7	7	7	7	4	7
Employment Relations	6	7	5	7	5	7	4	7
Environmental Protection	7	7	5	7	5	7	4	7
Health Care	6	7	5	7	5	7	4	7
Language	7	7	7	7	7	7	6	7
Law Enforcement	7	7	7	7	7	7	5	7
Media	7	7	7	7	7	7	6	7
Natural Resources	7	7	5	7	5	7	4	7
Social Welfare	6	7	5	7	5	7	4	7
Transport	7	7	7	7	6	7	4	7
Fiscal Autonmy	Pre - Maastricht		Post - Maastricht		Post - Lisbon		NextGenEU	
Own-source revenues / Total Revenues	7		6		6		7	
Revenues Restrictions	7		6		6		7	
Proportion of Conditional Grants	7		6		6		2	
Degree of Conditionality	7		5		4		2	
Freedom to Borrow	7		6		6		7	

Table 13. Policy and Fiscal Autonomy in the European Union.

Again, the administrative scores are maximum in all categories except "citizenship and immigration". Regarding the fiscal scores, we observe interesting results. Two sub-dimensions experienced a strong centralisation, to a value of 2. These are the proportion of conditional grants and the degree of conditionality, which are measures strictly related to the Recovery Fund. This is not a surprise, considering the central role that the EU is willing to have in the management of the Covid crisis. The centrality of this role is bound to imply a relevant increase in the influence that the European Union has on the policymaking of MSs. The opposite trend is observable for the remaining three sub-dimensions, all scoring 7 points. This is because the EU, while providing the MSs with conditional loans and grants, is also allowing them much more flexibility in raising resources and borrowing money. The idea behind this is that the exceptional situation, generated by the Covid crisis, cannot be solved if too harsh financial restrictions are in place. Consequently, with the interruption of the SGP, MSs enjoy higher freedom to borrow and to raise resources. I gave a score of 7 also to the proportion of own-source revenue out of total revenue, considering that the funds from the NGEU are still limited if compared with the overall annual budget of a State.

3.1.4.2 Summary statistics

Table 14 and Figure 7 show some summary statistics about the level of static de/centralisation of the European Union in the four periods observed. I will briefly comment on the results for the three dimensions.

The legislative aspect clearly shows a centralising trend. It starts with a mean score of 6.77 before the Maastricht Treaty, so almost maximum decentralisation. A centralisation of 0.62 points comes with Maastricht, with a further decrease in autonomy of just 0.07 points after Lisbon. So, we can say that a dynamic centralisation occurred between the 1990s and 2000s, but still the score shows us a clear predominance of the constituent units over legislative issues in the field of social policies. With the NextGenerationEU the centralisation is quite sharp, reaching a mean legislative score of 4.62, so extremely close to a balanced control between the EU and the MSs. This is not only due to the necessity to follow the country-specific recommendations, but also because of the comprehensiveness of the NGEU, which touches, directly or indirectly, all social policies. This latter aspect is also highlighted by the low standard deviation, which is only 0.87, lower than both the Maastricht and Lisbon values, and by the modal value, which moves from 7 in the first three periods, to 4.

For what concerns the administrative autonomy, the score is always extremely high, with an

initial value of 7 and a score of 6.92 for the last three time intervals. This is due to the complete administrative freedom that the EU leaves to MSs in the social polices area, with the only exception being the effects of the EU citizenship on the "citizenship and immigration" field.

	Pre - Maastricht	Post - Maastricht	Post - Lisbon	NextGenEU
Mean L	6.77	6.15	6.08	4.62
SD L	0.44	0.99	0.95	0.87
Mode L	7.00	7.00	7.00	4.00
Mean A	7.00	6.92	6.92	6.92
SD L	0.00	0.28	0.28	0.28
Mode A	7.00	7.00	7.00	7.00
Mean F	7.00	5.80	5.40	5.00
SD F	0.00	0.45	0.89	2.74
Mode F	7.00	6.00	6.00	7.00

Table 14. Static de/centralisation in the European Union.

Finally, also the fiscal sphere experienced a strong dynamic centralisation, almost as strong as the legislative one. It starts with a value of 7, which immediately decreases to 5.80 with the Maastricht Treaty, due to the presence of the SGP and the constitution of financing bodies. Indeed, after this large decrease of 1.20 points, we only have a minor decrease to 5.60 with Lisbon and a further, more consistent decrease to 5.00 with the NGEU. It is important to notice that in the last period, we have, as observed previously, a strong increase in the conditionality of grants and loans, but at the same time, a complete decentralisation for the borrowing and revenue-raising powers. This is evident from the very high standard deviation value of 2.74 points.

Figure 7 helps us to have a visual representation of the mean trends. It shows that a centralisation clearly occurred in the legislative and fiscal spheres, with the former extremely impacted by the NGEU, while the latter largely determined already with the Maastricht Treaty.

I will make some conclusive comments on the trends in the last chapter, after having discussed the causes and consequences of them, by carried out an overall assessment through the

estimation of the degrees of likelihood and desirability.

Figure 7. Legislative, Administrative and Fiscal Mean of the European Union.
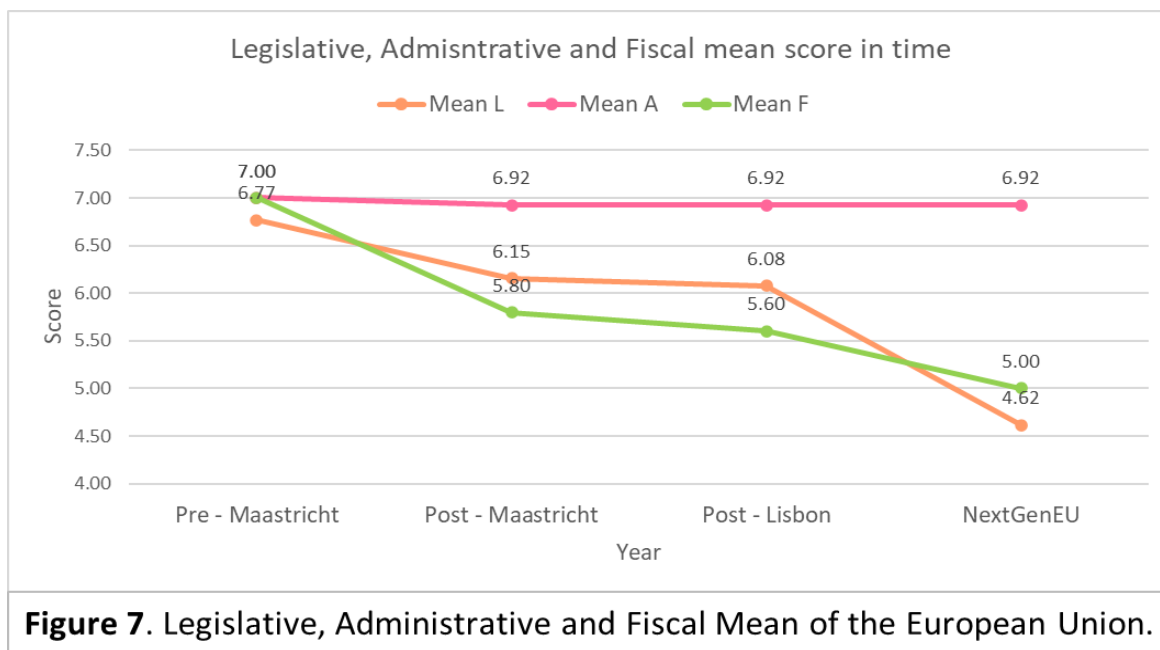
3.2 Causes of the Pattern

In this section I will compare the EU pattern with the causes identified in the previous chapter, in order to see if they apply to it or not. In case I observe a correlation between the EU trend and the drivers I have hypothesised (on the basis on the project I am using as a reference point), I will be able to determine a degree of likelihood of possible future scenarios. Now I will comment on each of the seven possible drivers of de/centralisation.

3.2.1 Antecedents

This driver is not so easy to observe with the EU due to its relatively recent existence. We saw that with the Treaty of Rome the system was extremely decentralised, at least regarding the social policies area. We can also confirm the fact that a low level of static centralisation at the outset is correlated with a relevant dynamic centralisation process. On one hand this may be partially caused by the fact that, by starting from a maximum level of decentralisation, the only possible evolution is towards more centralisation. On the other hand, even if this happens, this centralisation may still be minimal, and an opposing dynamic decentralisation may occur in the following years, once the level of static de/centralisation is not maximum anymore. Since this is not the case in the EU, and neither in the federations studied, we can safely say that the tendency to converge to a certain level of centralisation is present. Since the level of centralisation in the EU is still lower than in the federations observed, if we assume that the convergence level is around the 3.5 - 4.5 interval, we may expect to see further dynamic

centralisation, even if with a moderate magnitude.

3.2.2 Socio-economic trends

Two central points in this regard are globalisation and regional integration, which are expected to cause centralisation. Surely both processes are present in the EU, especially that of regional integration, which may be even considered the core mission of the European Union. The EU MSs are also quite exposed to globalisation dynamics, being the EU a prominent element in the international community in political, economic and social matters. For these reasons we can expect these trends to be relevant in determining the future de/centralisation pattern of the EU. An additional confirmation of this is the fact that most of the centralising reforms were supported by the idea of needing further integration to provide a common response to common problems.

3.2.3 Socio-cultural trends

Regarding the social cultural trend, we have observed that a higher level of citizenship integration with the federation (in this case with the EU) facilitates the centralisation process. Indeed, the bi-nationalism of Canada can be interpreted as one of the factors hindering centralisation. Clealry, the EU is made of a vast array of nationalities, so we should expect a huge barrier to centralisation. However, what really matters is not really the number of different nationalities, but rather the level of identification of people as EU citizens. This level seems to be increasing in the last decades. Empirical evidence of this comes from the European Commission report on "European Union Citizenship and Democracy", which shows that the familiarity of people with the term "citizen of the European Union" has increased from 78% in 2007 to 91% in 2020[35]. Additional useful figures are found in the exploratory study of 2016 by the European Parliament Research Service named "Major changes in European public opinion regarding the European Union". A survey present in this study shows that, in 2016, 51% of respondents saw themselves as "(nationality) and European", 39% as "(nationality) only", 6% as "European and (nationality)" and 2% as "European only"[36]. These values have only slightly

---

[35] European Commission (2020) 'European Union Citizenship and Democracy', *Flash Eurobarometer 485*. Available at: https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm

[36] European Parliament Research Service (2016) Major changes in European public opinion towards the EU since1973, Desk Research: 2015 Edition, European Parliamentary Research Service, Study for DG for Communication, Public Opinion Monitoring Unit, European Parliament, Brussels. Available at:

increased since 1992, but this percentage still shows that the majority of EU citizens consider European nationality as something characterising them.

3.2.4 Economic and security shocks

The EU has not taken part in wars altering its equilibrium (moreover, the EU does not have its army), but it has faced other kinds of shocks. Both in the financial crisis and in the Covid crisis it has intervened increasing centralisation. In the first case the Greek experience is emblematic, while for the second crisis we have seen in the previous paragraph that a centralisation has happened.

3.2.5 Collective attitudes

This driver seems to perfectly fit the European Union. It is argued that a centralisation can be favoured by the willingness of the general public, interest groups and business groups. Since the central idea behind the EU is that of increasing integration between States and EU citizens, this feeling is likely to generate, from those supporting the Union and operating within it, a push for centralisation. Moreover, interest and business groups operating within the EU framework, considering its single market policies, are likely to generate a spillover effect. In general, we may interpret this centralisation driver as the effect of an inertia force, or a virtuous circle (or vicious circle, depending on the point of view), which makes people living in a centralised environment develop positive attitudes towards centralisation. Evidently, people in a centralised environment may develop a willingness to decentralise, in opposition to the current state of things. However, this potential tendency is taken into account through other drivers.

3.2.6 Political agency

The hypotheses about political agency were mainly rejected by the authors, who observed that, differently from what expected, the presence of left-wing elites did not correlate with grater centralisation. The NGEU further confirms this rejection, with a centralisation occurring under a President of the European Commission and the largest party in the European Parliament both with a right-wing orientation.

3.2.7 Institutional properties

---

https://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2016/major-changes-in-european-public-opinion-2016/report/en-report-exploratory-study-201611.pdf

Following the hypotheses, higher centralisation should have been correlated with more constituent units, no residual powers, an administrative character, a parliamentary system, less direct democracy. The EU can be said to have all these features since it has 27 constituent units, which have residual powers. It also has an administrative character since it leaves administrative autonomy to MSs, which implies that less resistance to centralised legislation should be observed. Furthermore, it is a parliamentary system, even if the EU Parliament cannot be considered the center of decision-making, and it does not have relevant direct democracy systems. It is important to underline that these hypotheses did not find empirical support in the analysis of the federations. However, being based on scientific literature on the issue, they still can suggest that, at least, centralisation will not be hindered by these factors.

3.2.8 Main centralisation drivers in the EU

The overall picture of the main drivers is clear from the specific comments I made in this section. The implications of them and the expectations we can derive on possible future scenarios will be instead discussed extensively in the next chapter, when treating the degree of desirability. Here, I conclude this chapter by looking at some consequences of the centralisation on the Member States, in order to later derive a degree of desirability.

3.3 Consequences of the Pattern

In this section, following the same approach used with the six federations, I will assess the consequences of centralisation by looking at the variations in the performances of the European Union on different indexes related to social policies. The indexes and indicators will be the unemployment rate, the level of spending on education, the level of spending on health care and the GINI index[37], which will be compared, respectively, with the scores of the categories "employment relations", "pre-tertiary education" and "tertiary education", "health care", "social welfare". Considering the fact that EU action is almost exclusively concentrated on the legislative dimension, I will use that as a reference value. In comparing the indexes with the categories I will not compare the values in each year, since the effects of changes in the EU framework cannot be immediately observed on MSs. The best approach to take is that of observing the general trend from 1990 to 2020 and compare it with the increase or decrease in the level of autonomy of the related category. Clealry, we have to consider that from 1990 to

---

[37] For the references of the indexes and indicators look at paragraphs from 2.3.1 to 2.3.4.

2020, the number of MSs composing the EU has increased, going from 12 in 1990 to 27 in 2020. Anyway, the shifts in the average associated with the entry of new MSs are not significant enough to modify the general trend.

3.3.1 Unemployment

The reference indicator for unemployment is the unemployment rate provided by the World Bank. The scores of "employment relations" and the unemployment rate in the various years are the following: 6 and 8.68% in 1990[38], 5 and 9.83% in 2000, 5 and 9.80% in 2010, 4 and 7.38% in 2020. The decreasing legislative autonomy clearly shows a centralisation trend. The variation in levels of unemployment does not show a decreasing trend, even if the value of 2020 is lower than that of 1990. However, the presence of crises in the 1990s, from 2008 to 2013 and now with Covid hugely determines the shifts in the rate of unemployment. For this reason, the 2000 and 2010 scores are much higher than the other two values. If we only look at the value in 2008, it was of 7.21%, much less than in 2010. Also, the value of 6.70% in 2019 is lower than 2020, and we should expect and further increase in 2021 due to the pandemic. The observation of these figures does not tell us much about the effects of centralising employment relations, but we should take into account that these rates are immensely influenced by external factors.

3.3.2 Education

In order to assess education, we can look at the percentage of spending on education over GDP[39], comparing it with the legislative scores for pre-tertiary and tertiary education. The only centralisation in this category occurred in 2020 with the NGEU, shifting from 7 to 4. Data on EU spending on education is available since 1995, so the scores for the four intervals are the following: 4.8% in 1995, 4.8% in 2000, 5.2% in 2010 and 4.7% in 2019. No relevant trend is identified, with an increase between 2009 and 2013, but a general stability throughout the whole period. This stability is associated with a stable level of autonomy, which changes only in 2020. The potential effects of this change will be possible to measure only in the coming years.

---

[38] The unemployment rate refers to the year 1991.

[39] Eurostat (nd) 'General government spending by function - Education'. Available at: https://ec.europa.eu/eurostat/databrowser/view/GOV_10A_EXP__custom_1299482/default/table?lang=en (Accessed: 16 September 2021).

3.3.3 Health care

In the field of health care, the reference indicator is the level of spending in percentage of the GDP[40]. Also in this case the values are available only from 1995. These are the scores in the different time periods: 5.8% in 1995, 5.9% in 2000, 7.3% in 2010, 7.1% in 2019. In this case we observe a steady and consistent increase in the first decade of the 21st century, which then stabilises around the 7.1% value. This increase is coupled by a centralisation of the "health care" field, which scores 6 in 1990, 5 in 2000 and 2010, 4 in 2020. As with education, the NGEU is pushing for an improvement of this sector. Moreover, after a sanitary crisis, we should expect an increase in spending in health care and the Recovery Fund may be a central instrument in this respect.

3.3.4 Social Welfare and Inequalities

The last area is that of social welfare. In order to measure the effects of social welfare policies, we can look at the level of inequalities through the Gini Index[41]. Unfortunately, data on the Gini coefficient for the whole EU can be found only dating back to 2008. We can still see if in the last decade, the centralisation of social welfare policies has impacted the index. The "social welfare" scores decreased in the same way as the "health care" ones, starting from 6 in 1990, going to 5 in 2000 and 2010 and further decreasing to 4 in 2020. The Gini Index in 2010 was 30.5, while in 2019 it was 30.7 so almost unchanged. It reached a peak of 31.0 in 2014 and 2015, but it remained stable for most of the period.

3.3.5 Conclusive remarks

As a first notice, it important to remind that the EU is made of a variety of countries, in some cases much different from each other. It follows naturally from this that the average indicators contain a variety of different scores. An average increase in one of the values is the results of many different components, some of which may even be decreasing while counterbalanced by an increase in other. Even though these considerations are important, it also makes sense to look at these aggregate statistics. The reason is that, if we want to study the EU as single entity,

---

[40] Eurostat (nd) 'General government spending by function - Health'. Available at: https://ec.europa.eu/eurostat/databrowser/view/GOV_10A_EXP__custom_1299482/default/table?lang=en (Accessed: 16 September 2021).

[41] Eurostat (nd) 'Gini coefficient of equivalised disposable income'. Available at: https://ec.europa.eu/eurostat/databrowser/view/ILC_DI12__custom_1299935/default/table?lang=en (Accessed: 16 September 2021).

maybe even in a federal perspective, we are bound to consider its overall aggregate performances.

In general, as it was with the six federations, no striking evidence can be derived from these results. We saw that unemployment rate is too much influenced by other factors to observe a correlation, while education spending levels and the Gini index have been stable through the observed period. The only area in which we observe a positive correlation between the indicator scores and the centralisation values is "health care". This may be due to the introduction of minimum health and safety standards, which may have required some Member States to increase the level of spending to meet the standards of other EU countries.

As with the drivers of centralisation, here I have limited myself to some brief comments on the results. In the next chapter I will further elaborate on the finding and their implications.

4 De/centralisation Scenarios for the European Union

The aim of this last chapter is to collect all the findings and conclusions obtained up to this moment in order to identify the possible scenarios of the EU evolution, with respect to the level of de/centralisation of social policies. The scenarios that I will investigate will be three: a reverse in the centralisation trend (decentralisation), a stabilisation at the current level of centralisation and further centralisation. As previously explained, for each of these three scenarios, I will determine a degree of likelihood and a degree of desirability. The former is principally based on the results obtained analysing the de/centralisation trends and the drivers of de/centralisation. The latter focuses mainly on the consequences of de/centralisation, taking also into account the lessons learned from the patterns and a series of other elements. It goes without saying that these scenarios do not pretend to describe the whole future of the EU, since there is no way of predicting how long in time this institution will last and which internal and external events will shape its form. So, as a reference time period, we can imagine the next two or three decades.

In the following two sections I will discuss about the degrees of likelihood and desirability, and after that I will conclude the dissertation with some general remarks and an overall assessment of the findings.

4.1 Degree of Likelihood

In this section I analyse the three possible scenarios for the EU. I will try to suggest possible reasons that may lead to their realisation, considering the EU structure, the current situation, the presence of factors which may push in a certain direction and, most importantly, the lessons learned by the study of the six federations.

Before moving to the description of the three scenarios, it is useful to summarise what is the current equilibrium reached in the EU. As it should be clear from the last chapter, the pattern followed by the EU from 1990 to 2020 is that of a clear centralisation both in the legislative and in the fiscal spheres, with mean scores of respectively 4.62 and 5.00. This is a relevant centralisation activity considering that it occurred in only 30 years. Furthermore, the last shift in autonomy score (from 2010 to 2020) is a significant one, especially in the legislative sphere, suggesting that the EU is currently still searching for the right balance of the de/centralisation level of the system. Moreover, this last shift is connected to the Covid crisis, which is a pivotal factor to take into account in the analysis of future scenarios. After clarifying these points, we

can delve into the discussion of the decentralisation scenario.

4.1.1 First scenario: decentralisation

The first scenario I consider is that of a reversal of the current centralising trend. In this scenario, Member States gain back autonomy in the field of social policies. What is the likelihood of this happening?

As a preliminary consideration, we should take into account the fact that Member States are now experiencing a loss of autonomy in their ability to legislate on social policies. However, this loss of autonomy is coupled with a relevant amount of grants and loans coming from the EU. The central reason causing a decentralisation could be the willingness to gain back this lost of autonomy. We saw that crises and shocks tend to cause centralisation, when reinforcing a pre-existent and favourable socio-cultural base. This leads us to two important considerations. On one hand, the presence of a crisis seems to be a necessary element for the EU gaining control over social policies, or at least a fundamental catalyst to accelerate this process. A possible implication of this is that, once the critical period ends, Member State will push to regain their autonomy. On the other hand, the fact that centralisation has been considered a valid answer to the crisis, suggests that the main socio-cultural trend in the EU favours a centralisation activity. Furthermore, we observed that previous losses of autonomy have not be counter-balanced by a consequent decentralisation at the end of the crisis. On the contrary, the experience of the financial crisis (and all its consequences in the EU) has led to a more stringent SGP.

The main reason which may lead to a decentralisation is an evident failure of the NGEU, which may lead to a change in the socio-cultural trends, which in turn will imply the willingness of the public opinion and of political parties to push for a minor EU role. Although this is possible, a reversal of this kind in the stance of the public and of the political elites is not something which can happen very rapidly. As we saw with the 2019 European Parliament (EP) elections, even though the presence of Eurosceptic and nationalist parties seemed relevant in some Member States, the EP elections resulted in a solid pro-European majority. Clealry, one may be pro-European and still advocate for a decentralised management of social policies, but in the current political landscape decentralisation claims mainly come from Eurosceptic parties.

To conclude, this decentralisation scenario seems quite difficult to be seen in place, since it would require a list of not so likely events. Firstly, a failure of the NGEU evident enough to shift the socio-cultural trend favourable to a centralisation. This shift should be sufficiently

large to cause either a substitution of the actual political elites or a change in their positions, both options requiring an extremely significant change in the public opinion towards strong anti-centralisation positions. Secondly, considering the effect that crisis have on centralisation, we would need the ending of the Covid crisis with the recovery of the EU economy. For the moment there are no particular reasons to believe that the spreading of the virus will be interrupted soon, so, even if measures to counter the virus and coexist with it are being implemented, the return to the pre-Covid situation is an unlikely event in the close future. Additionally, if we assume that in this scenario there is a huge failure of the NGEU, the chances of a rapid recovery from the Covid crisis are even lower. A third event, necessary for decentralisation, would be the interruption of the "centralising inertia", namely the tendency to centralise. As we have seen both with some of the federations and the EU, dynamic centralisation tends to be a one-way process, which may be more or less rapid, but it is rarely reversed. Considering that the EU equilibrium at the moment is still towards a predominance of MSs control, we would expect, on the basis of the experiences of the federations studied, to have this inertia force still at work until greater centralisation is achieved. The last factor to consider is that, at the moment, the fiscal constraints of the GSP are suspended. In a decentralisation scenario the GSP is kept suspended or even ended. This event is also extremely unlikely, if we consider the role this Pact has played in the EU evolution and the fact that the reaction after the financial crisis was that of making it more stringent.

On the grounds of what just explained, I consider the decentralisation scenario an unlikely one. However, it is important to underline that its realisation may be pushed by factors which this work was not able to capture, or which may still be in a latent form.

4.1.2 Second scenario: stabilisation

The second scenario I analyse is that of a stabilisation. In this scenario, the level of centralisation of social policies is kept the same also after the end of the Covid crisis. In this case, the Member States are not gaining back their legislative autonomy, meaning that the influence the EU exercises through the NGEU becomes a structural feature of the EU. At the same time, in this scenario, the MSs are not willing to further concede decision-making powers to the EU. Again, in order to assess the degree of likelihood of this outcome, I will consider which course of events might cause it and the likelihood of these events happening.

First of all, the maintaining of the current level of centralisation would imply the ending of the above mentioned "inertia force" factor. We have to consider that, in the absence of a particular

reason to stop centralising, the loss of legislative autonomy by MSs is likely to continue being considered a good solution to problems. This would be especially true in the case of a successful implementation of the NGEU. On the other hand, we can imagine that, in case of a failure of the NGEU, Member States would not be willing to leave to the EU the autonomy they have conceded. Considering these two outcomes as the most likely ones, this stabilisation scenario seems to be a quite remote option.

The level of legislative centralisation present at the moment is intended as a way of countering the Covid crisis. This means that, once the crisis ends, the EU framework will probably be modified again. The NGEU, with the submission of the National Recovery and Resilience Plans by MSs, is not supposed to be a standard procedure, but rather and ad hoc solution for the current situation. The temporary suspension of the SGP, as already explained, further reinforces this point. As a consequence, a scenario with a stabilisation at this level of static centralisation would be one in which MSs decide to let the EU condition their social policies in the same way it is happening during the crisis, but at the same time they refuse to further centralise. This sort of neutrality is unlikely to develop, especially considering the major impact the NGEU is having on the EU.

The European Commission President, Ursula von der Leyen, stated that "we have 750 billion Euros to build our future Union. This is the opportunity of the century for Europe"[42]. This clearly shows a political will, shared by many, to interpret the NGEU as a first step of an evolution of the EU, implying an increase in its centrality. This means that there is no willingness to simply return to the pre-crisis framework. The Covid crisis could be interpreted as an opportunity to transform the EU. A debate on these issues will inevitably be central in the coming years (or even months), so people and politicians will have to either promote this major centralisation or to oppose it. A position in favour of keeping the actual level of centralisation, without increasing it, would have little room in the confrontation between those pushing for centralisation and those favouring a return to the pre-crisis framework (which means decentralising).

---

[42] Strupczewski, J. (2021) 'Recovery plan is "opportunity of the century" for EU - Commission head', *Reuters*, 27 April. Available at: https://www.reuters.com/business/recovery-plan-is-opportunity-century-eu-commission-head-2021-04-27/ (Accessed: 17 September 2021).

4.1.3 Third scenario: centralisation

The last scenario I look at is that of further centralisation occurring in the following years. As the comments on the first two scenarios should have made clear, this third option results to be the most likely one.

The first element is that of the "centralisation inertia". I have already explained what I mean with this concept, so here I will only stress one more point. The analysis of the six federations has shown us a sort of convergence towards a certain level of centralisation, causing the federations most decentralised at birth to experience a stronger dynamic centralisation. The EU was extremely decentralised at birth, and it has experienced a strong centralisation, reaching a mean legislative value of 4.62 in only thirty years (starting from 6.77). It goes without saying that centralisation is caused by a vast array of factors, so the "centralisation inertia" is not an universal law. However, this tendency is observable, with not federation showing a change in pattern (ex. a period of dynamic decentralisation followed by a period of dynamic decentration), apart from minor oscillations in the values.

The increase in the centrality of the EU has been accelerated by the crisis, but it has been possible because of the public and the political class being in favour of it. As explained in the analysis of the drivers of de/centralisation, crisis and shocks tend to accentuate the existing trends, rather than modify them. The presence of the Covid crisis had caused this leap towards a centralised control of social policies, but the fact that centralisation has been considered a proper solution to a situation of emergency shows that this idea was already present.

Another fundamental factor to consider is the core nature of the EU, which has integration and cooperation as its central functions. A spillover effect is bound to happen when some functions are extremely integrated and other are completely in the hands of MSs. The Covid crisis just provides us with examples of why this is bound to happen. The approval of vaccines by the European Medicines Agency, the movement limitation across and within countries, the distribution of commonly collected funds for national policies are all cases showing how problematic it is to have centralisation on certain rules and decentralisation on other. The exploitation of EU benefits has to be counter-balanced by a partial loss of sovereignty. The NGEU is a perfect example of what I mean with this. If a State is willing to obtain funds which are collected by the whole community, it has to accept that the whole community has a say in how these funds are spent. I made a similar example when talking about immigration, with the EU citizenship mining the ability of MSs to decide who can enter their territory. The refusal to

have a common immigration policy, results in this generation of this paradox.

This state of things makes the centralisation of certain policies almost a necessity, given the already existing centralisation of other areas. The push provided by the pandemic will be an occasion to observe the effect of a legislative centralisation.

Additionally, we have to consider two aspects, which we can derive by observing the legislative and administrative means. Firstly, that the legislative control is predominantly in the hands of MSs, so there is much room for a further centralisation. Secondly, that MSs are almost completely in control of the administrative dimensions. This may facilitate the decrease in the legislative autonomy, since the possibility to implement the policies may incentivise States to allow for a common decision-making procedure. In other words, since MSs still exercise full control in the administrative sphere, they may be less reluctant to concede part of their legislative autonomy.

To conclude, a further centralisation pattern seems the most likely scenario. We may expect that, with the ending of the Covid crisis, a slight decentralisation will happen. However, the legacy of the current Eu framework will impact and define the future EU transformations. Additionally, the overcoming of the crisis would also probably mean the restoration of the SGP. Maybe it would even be sided by some fiscal centralisation measures, similarly to what happened after the overcoming of the financial crisis.

4.1.4 Summary comments

There is no need to say that these three scenarios are the result of an analysis that is bound to be limited. The complexity of the de/centralisation phenomenon, especially with the EU scale, cannot be captured only through the variables observed in this study. Nonetheless, the empirical evidence collected by both consolidated federations and the EU itself suggests the presence of some trends and the relevance of some factors. These three scenarios are based on these elements, which are surely non-exhaustive, but still pivotal.

Following this same logic, in the next section I will assign to each of the three scenarios a degree of desirability.

4.2 Degree of Desirability

In this last section I will comment the three scenarios, with the aim of assessing their degree of desirability. It is evident that, by doing this, I am entering into the normative sphere. However,

my effort will be that of sticking as much as possible to the findings obtained in this analysis and to empirical facts.

4.2.1 First scenario: decentralisation

In order to assess the desirability of this scenario, I will consider what kind of political, economic and social situation would be in place in case of its realisation. I have said that, to observe decentralisation, a series of events should be in place. Three main events can be identified: a failure of the NGEU, the permanent suspension of the SGP and the substitution of the current political elites.

The failure of the Recovery Plan would almost certainly have a negative impact on the EU economy. As a general principle, borrowing a large amount of money and using them in an ineffective way could easily be considered an undesirable choice. Not only the failure of the NGEU would likely imply a difficult way out of the crisis, but also more problems in repaying the debts.

Regarding the end of the SGP, its desirability is more difficult to assess. On one hand, stability of public finances can safely be considered a positive asset, even if spending constraints can limit the ability of governments to implement reforms and increase investments. On the other hand, having high levels of deficit and public debt is not something detrimental by itself. However, due to the Economic and Monetary Union of MSs, the presence of countries with unstable finances can be harmful, since the instability of one member can mine the stability of all the others. The SGP has been suspended during the Covid crisis to allow MSs to increase levels of spending in order to face the emergency (and also considering the decrease in GDP levels). So, even if the interruption of the Stability and Growth Pact is not something objectively negative, its consequences are likely to be undesirable, considering the huge effects it would imply on the EU balance.

Lastly, the substitution of the current political elites. Considering the positions of the current majority in the EP and of the European Commission, a decentralisation would imply a huge ideological shift. In order for this to occur, we need to witness a significant failure of the current political class. As already noticed above, the austerity measures following the financial crisis caused the emergence of parties opposing these restrictions. However, even if these parties succeeded nationally in various countries (Brexit is an example of this), they did not become relevant at the European level. For this reason, a change in the political class so relevant to

invert to current ideological trend would imply a disruption of the political and social system, which can barely be considered desirable.

In conclusion, some of the elements leading to a decentralisation can safely be considered as undesirable, while others should be subject be a more personal evaluation depending on political stances. Anyway, it seems certain that an inversion in the current centralising trend would imply a political earthquake.

4.2.2 Second scenario: stabilisation

I argued that this second scenario is the most unlikely one. Nonetheless, it is interesting to assess its level of desirability.

As explained above, one of the reasons for which this scenario is considered remote, is that the political clash around centralisation or decentralisation is likely going to end in favour of one of these two factions. A stabilisation may most likely result from a compromise between these two positions, so this is the situation I am going to assess.

A compromise will probably happen in case the anti-centralisation sentiment grows strong enough to prevent political elites from implementing their agenda. This implies that in this scenario, an at least limited failure of the NGEU has taken place, making the ruling class lose part of its legitimacy.

There are not many elements to determine whether this course of events could be considered as desirable or not. Surely, the interruption of the current evolution process can be considered as detrimental, since a leap in the centralisation direction has already been taken, meaning that a political and economic cost will be paid in case of its interruption. Anyway, a stabilisation period may not necessarily negatively impact the EU. As we have observed in the study of federations, stable de/centralisation levels are not associated with negative performances regarding the social policies sphere.

The possibility of having a transition period is not so low, but we have to remember that here we are imagining a stabilisation lasting for more than one decade, meaning something more than a transition. It goes without saying that a period of this kind should be evaluated mainly on the basis of the reasons leading to this stability. One thing is the setting of the foundation of a future evolution, which may be an interesting path to follow. A different thing is the inability to act, due to a political stall. As we have seen, this second option seems more likely in case of

stabilisation. For this reason, this scenario could also be considered as undesirable, even if less dramatic than the first one.

4.2.3 Third scenario: centralisation

This last scenario is the main outcome I am interested in scrutinising with this study. Firstly because, at least from my hypothesis, it is the most likely one. Secondly, because this work has provided us mainly with insights regarding centralisation dynamics, so this scenario could be commented in a more complete way.

As an initial assessment, we can notice that this scenario will mainly take place in case of a success of the NGEU. Since this plan consist of a series of investments and reforms to recover from the crisis and to generally improve the function of MSs, it goes without saying that its success is desirable. Additionally, I have already introduced the idea of spillover effects. A greater integration in the field of social policies is bound to be followed by a centralisation in other areas. First of all because social policies are not the only ones touched by the NGEU. Secondly, due to the positive effect that a successful centralisation in a policy area can have on other policy fields. The increase in the legitimacy of a political class pursuing successful reforms may make it able to centralise.

Obviously, the desirability of centralisation is difficult to assess. From the data collected in this work we have seen that some positive correlation can be observed in the field of social welfare in some of the federations and in the field of health care in the case of EU. Nonetheless, no striking evidence in favour of centralisation was found. However, the original idea behind this work was to observe the evolution patterns of consolidated and democratic federations, in order to see which is the direction they had chosen to follow in their evolution path. This direction is, in the majority of cases, that of reaching a certain degree of centralisation, close to a slight predominance of the central government. This does not provide us with a causal link between the level of centralisation and welfare, but we can still assume that the pattern followed by these federations has been the one they experienced as being the most beneficial.

Many other aspects of centralisation may be considered, as the possibility to increase the international influence of MSs, by acting together as European Union, or the ability to better manage common issues as crises, terrorism, immigration or economic pressures from other countries.

To sum up, centralisation is likely to occur if the current pattern is followed, which implies that

no major economic, political or social shocks are experienced in this scenario. This makes it desirable, even if no scientific prediction can be done.

4.2.4 What lesson can the European Union draw?

The main lesson learned through this work is that centralisation is an extremely complex phenomenon, which can be connected to a large number of causes, and which is reflected on an even larger number of factors. The six federations show that centralisation, especially in the legislative sphere, is also a common phenomenon. Administrative autonomy tends to be left in the hands of constituent units more than legislative autonomy, probably due to the same idea behind the principle of subsidiarity.

From this work, the EU can learn that the centralisation it has experienced up to this moment is symptomatic of a favourable socio-cultural trend and general collective attitudes, which, fostered by crises and shocks, push the political class to implement centralising reforms. The relevance that these drivers have in the European Union transformation is confirmed by the observation of these same drivers in the federations studied.

The conception of the EU in a federal perspective is not something absurd if we consider the centralisation spillover, from social policies to fiscal policies and from fiscal policies to centralised forms of representation (Buti and Messori, 2020). The division of competences that we observe in the EU is not so different from what we have in federal systems. It is true that the European Union is composed of sovereign states, but if we look at other federations, we do not observe a high uniformity. The number of constituencies is extremely variable, from the 50 in the United States to the only 10 of Canada. The kind of legislative, administrative and fiscal autonomy of the constituent units also varies a lot in time and space, but we still consider all these systems as federal ones. The definition of the EU as a federation can still be seen as a political rather than technical one, but the pattern it has been following in the last decades, and that it seems to be accelerating with this crisis, may change this fact.

Conclusions

The aim of this research was twofold. Firstly, I wanted to determine how likely is a centralisation of social policies in the European Union. In the second place, I tried to assess how desirable this evolution would be. As explained in the introduction, both the degree of likelihood and the degree of desirability are based on empirical evidence, namely the causes and consequences of de/centralisation, which I measure during the work. In order to do this, I observed the historical patterns of both long-established federations and the EU with regard to de/centralisation of social policies. I derived some conclusions on both the drivers and the consequences of this patterns, by comparing the results of the different federations between them and by confronting their levels of de/centralisation with their performances on a series of indicators related to social policies. All this amount of information was used in the last chapter to determine a degree of likelihood and a degree of desirability for the three possible scenarios. Here I will summarise and comment my main findings and include some additional general remarks.

The first interesting conclusions are found already in the second chapter, with the analysis of the six federations. The most important one is the fact that a clear centralisation trend is observed in Australia, Switzerland and the United States. Slight centralisation is also present in Germany and India, while Canada is almost stable. I used the figures on mean scores to make comparisons between the different time periods. Mean scores are obtained from the scores of all the policy categories in a given year, so I also used them to compare the average score resulting from all the twenty-two policy areas (the one used by the authors) with that resulting from the thirteen social policies (computed by me using the dataset provided by the authors). Here I show the main figures regarding social policies.

The scores indicate the level of autonomy of the constituent unit with respect to the central government, with 1 being the minimum and 7 being the maximum. The legislative mean for Australia has changed from 5.67 in 1910 to 2.92 in 2010, while the administrative mean moved from 5.67 to 3.42. In Switzerland, from 1850 to 2010, the legislative score shifted from 6.46 to 3.54 and the administrative score from 6.77 to 5.31. The United States autonomy, observed since 1790, moved from 6.54 to 3.31 in the legislative sphere, and from 6.85 to 4.62 in the administrative sphere. In these three countries the centralisation is evident in both spheres. Moving to more stable countries, we observe a legislative decrease from 4.31 in 1950 to 3.69 in 2010 in Germany, while the legislative autonomy moved from 5.62 to 5.08. In India, also

starting from 1950, the legislative shift is from 3.75 to 3.15 and the administrative shift is from 4.17 to 3.85, so again a moderate centralisation. Finally, in Canada from 1870 to 2010, the legislative mean moved from 4.73 to 4.62 and the administrative mean from 4.73 to 4.77. This last case is the only one in which we observe a minimal change, and even a slight decentralisation. Which are the main conclusions of these findings?

Firstly, that a clear centralisation trend is observed in three countries, as stated above. The most interesting finding is that the countries experiencing a stronger dynamic centralisation are those with the lowest levels of initial static centralisation. This may suggest that, rather than a centralising trend, we observe a convergence towards an equilibrium level of centralisation, which we can identify around the 3.5 - 4.5 interval. Indeed, the final levels of static de/centralisation are quite similar between the six countries. Australia, Switzerland and the United States were those more decentralised at birth, so it seems like their stronger centralisation was only due to their greater distance from the equilibrium point. It is clear that the observation of this correlation does not necessarily imply a causal link. Nonetheless, this shows that a convergence is present, regardless of what is causing it.

Another interesting finding is that social policies are, on average, more decentralised than the overall average. This can easily by observed in the figures from 1 to 6 in chapter 2. Additionally, if we consider that the overall average is composed of twenty-two policy categories, out of which thirteen are the social policies, it is evident that an average between the nine remaining categories would be even lower (so more centralised). On one hand, this shows us that difficulties in the centralisation of social policies are not a EU peculiarity. On the other hand, the figures show that there is no relevant difference between the overall trend and the social policies trend, meaning that the dynamic centralisation process is hitting both fields with about the same strength.

The analysis of the federations provides us also with important feedbacks on the drivers of de/centralisation. The authors of the original study on federations extract a series of hypotheses from the literature regarding factors that favour or hinder centralisation. Each of them is then tested by comparing the results in the various federations. In my adaptation to social policies, I used the new figures I obtained to test again these hypotheses. My aim was to control if I could reject or accept the hypotheses in the same way they authors rejected or accepted them. After doing that, I would have been able to confirm or modify their conclusions. The result was that I completely confirmed all the authors' findings. This should not come as a surprise, considering

that, as just explained, the social policies trends were not different from the overall trends. Just some minor differences were observed, but not enough to change the evaluation of any of the hypotheses.

As a consequence, I identified four main elements determining de/centralisation. The first element consists of the so called "antecedents", namely the initial status of the system. As explained above, the level of initial de/centralisation largely impacts the pattern that a federation is going to experience. Systems fairly centralised at birth tended to keep their balance, with just some minor adjustments. On the contrary, in the decentralised federations, the central government was gradually able to obtain control in different policy fields.

The second element is composed of the socio-economic and socio-cultural trends. These consist of the general attitudes of the public towards certain kind of policies and towards the central government. The level of internal integration shapes the willingness of citizens to accept centralised authority. The presence of different nationalities may hinder centralisation, as Canada shows, since each constituent unit is willing to have its own peculiar traits. In general, all these social, cultural and economic dynamics can determine different levels of homogeneity in the populations, which may generate a diffused hostility towards the central government or, on instead, a positive attitude towards it. This dynamic can clearly be observed in the European Union, so I will further discuss this later.

The third driver is made of the economic and secuirty shocks, mainly in the form of crises. The effect of this factor is not that of determining the general trend, but rather just to accelerate it. In some cases, if the socio-cultural and socio-economic factor is not so evident, a crisis may make it emerge. The financial and Covid crises in the EU could be considered examples of this.

The last driver regards the structural features of a system, mainly in the form of collective attitudes and economic integration. Collective attitudes are similar to the socio-cultural trends, with the difference that they can be considered as structural elements of a society rather than just trends. The way in which citizens perceive their nation and their sense of belonging to it are examples of this. Economic integration refers to the fact that integration in the economic sphere is a good driver of centralisation, since it increases the necessity of coordination and the general habit of having a central authority. This argument, related to the spillover effect, is extremely relevant for the European Union.

Finally, in the last part of the second chapter, I assess the consequences of de/centralisation. In

order to do this, I compare some policy categories with four indicators, which I consider good instruments to assess the performance of the federation in that policy area. More specifically the indicators are the unemployment rate, the level of "education spending as percentage of GDP", the level of "health care spending as percentage of GDP" and the Gini Index. I observe the performances in time of the various federations on all these indicators and I compare them with the score of the corresponding policy area in that year. In this way I am able to see if de/centralisation trends are correlated with positive or negative trends in federations' performances. The policy categories I use as reference points are, respectively, "employment relations", "pre-tertiary education" and "tertiary education", heath care", "social welfare". I decided to scrutinise these categories since they allowed me to collect reliable and comparable data for all the six federations. Moreover, I consider them as particularly relevant and representative of the social policies realm. Nonetheless, further studies on the remaining policy areas would surely be useful to integrate this research.

After having obtained data on patterns, drivers and effects, I moved to the analysis of the EU. In the third chapter I applied the same model to the European Union, with the aim of collecting the same information. Since I was applying the model used with federations, I divided the EU lifespan in four periods, taking four years as a reference. The first year is 1990. By looking at the EU in this year, I analyse the pre-Maastricht framework, namely the functioning of the European Community, including elements coming from the Treaty of Rome (1958), the Social Action Programme (1974) and the Single European Act (1986). The second year of reference is 2000. In this way I look at the EU after the Treaty of Maastricht (1993), also considering the Treaty of Amsterdam (1999) and the Treaty of Nice (2003). The latter treaty has entered into force after 2000, but I still decided to include it in this time interval. The reason is that my aim is to analyse the main transformations that the EU has experienced in time, so it was more reasonable to include the Nice Treaty in the Maastricht framework rather than in the Lisbon framework. The years selected should be interpreted more as reference point, rather than as binding constraints. The reference year for the Treaty of Lisbon (2009) framework is 2010, with this treaty being the central source, sided by the analysis of a series of programmes and strategies implemented in that decade. Finally, the last scrutinised period is 2020. Here the central focus in on the NextGenerationEU, with some additional focus on a series of other relevant elements as the Six-Pack (2011), the European Semester (2011), the Two-Pack (2013) and the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union (2013).

After having outlined the sources for each period, I collected data on the thirteen policy categories and on the five fiscal categories. In this way I was able to observe the evolution of dynamic de/centralisation of social policies in the EU, its causes and its consequences.

Regarding the pattern, in 1990 I observed an extremely high level of static decentralisation, with fiscal autonomy completely in the hands of MSs and a minimal level of EU control only on the legislative policy categories of "employment relations", "health care" and "social welfare" (all scoring 6). Additionally, the level of autonomy in the administrative sphere was maximum, and it will remain so for all the four periods. The only exception is the value of 6 assigned to the "citizenship and immigration category since 2000. This is due to the creation of EU citizenship, which partially reduced MSs autonomy in both policy spheres.

A relevant centralisation occurs with the Maastricht Treaty, indeed the mean score for the legislative sphere goes from 6.77 to 6.15. This is caused by further centralisation (to a value of 5) of the above-mentioned categories, and by the EU increasing its control over "environmental protection" and "natural resources". Also, a fiscal centralisation takes place, mainly caused by the introduction of the Stability and Growth Pact (1997).

The advent of the Lisbon Treaty does not lead to a strong further centralisation, with a minimal shift in both the legislative and the fiscal mean scores, decreasing, respectively, from 6.15 to 6.08 and from 5.80 to 5.60. However, the new Lisbon framework paves the way for the programmes that will be implemented in the 2010 - 2020 decade.

Finally, in 2020, the legislative and fiscal autonomies decrease of a relevant amount. In the legislative sphere, all policy areas experience a certain degree of centralisation, with none scoring a value of 7 anymore. Furthermore, all the areas in which the EU already experienced a certain degree of control are further centralised, reaching a score of 4 (which becomes the modal value). We have to bear in mind that the value of 4 indicates a balance between central government and constituent unit control, so the EU is still not predominant. Additionally, the administrative sphere does not experience centralisation. This legislative centralisation shifted the mean score from 6.08 to 4.62. In the fiscal sphere, the mean score decreased from 5.60 to 5.00. This results from a combined effect. On one hand, the suspension of the SGP gave MSs much more freedom to borrow and spend money. On the other hand, the strong conditionality attached to the use of NextGenerationEU funds, implied a relevant fiscal restriction in this sphere. This process is evident from the standard deviation, which increases from 0.89 in 2010

to 2.74 in 2020. It is important to notice that the mean score is not weighted, so all five fiscal categories have the same impact. One may argue that the effect of the SGP suspension is more relevant than the conditionalities attached to NGEU funds. However, the lack of weights for the different categories does not prevent from assessing them separately, considering that the scores for each category are available in the tables.

The concluding remarks after the analysis of the EU trend are the following. A centralisation of social policies has clearly occurred. It was almost completely concentrated in the legislative sphere, with administrative authority in the hands of MSs. This is in line with the principle of subsidiarity (article 5 TEU). Social policies centralisation is also impacted by a fiscal centralisation, mainly in the form of deficit and debt constraints, but also, with the NGEU, through conditional grants (and loans). I did not carry out an articulated comment of the patterns, causes and consequences in the third chapter, since they have been the basis for the contents of chapter four, so an indirect analysis of the results is present in that last chapter.

Regarding the causes of centralisation, the EU pattern confirms the results obtained by the study of the federations. Antecedents play a fundamental role in determining the level of centralisation, especially in the case of EU. Considering that the EU is created by a Treaty among sovereign States, it is expected to observe an initial level of maximum decentralisation. At the same time, this implies that the room of manoeuvre for a dynamic centralisation is maximum. Socio-cultural and socio-economic trends are also a preponderant cause in the EU case, considering that integration and cooperation are fundamental principles behind its formation. However, a factor which seems to emerge more in the EU than in the six federations, is the effect of crises. The financial and the Covid crises have been central determinants of the centralisation effort. On one hand, this shows that a favourable socio-cultural trend was already in place, since, as already explained, crises and shocks tend to accentuate rather than generate the de/centralising trends. On the other hand, the EU does not possess a solid and uniform ideology, meaning that there is not clear and homogeneous socio-cultural trend, but rather a series of different trends, within which one is predominant. This implies that the presence of crises is not just a factor accelerating the transformation, but it is more a necessary element to trigger this transformation. Finally, the presence of favourable institutional factors is also a relevant element, considering that the EU is designed to foster integration and mutual cooperation in different policy areas. This implies that political and technical instruments to centralise are present, they just need to be adopted.

In the last section of chapter three I tried to measure the consequences of centralisation. I used the same approach adopted with federations, so I compared the five policy categories with the four indicators. In the same way as with the six federations, these indicators do not show relevant trends. Nonetheless, some comments can be made. The unemployment rate is difficult to correlate with "employment relations" since external factors as crises influence it too deeply. Regarding the education spending levels and the Gini index, they do not register relevant changes throughout the observed period. Only in the "health care" area it is possible to observe a positive correlation between the indicator scores and the centralisation values. A cause of this is likely to be the adoption of minimum health and safety standards, which may have pushed some Member States to increase the level of spending in order to meet the standards required for EU Members.

Having obtained all the data I needed, in the last chapter, I discussed the three possible scenarios for the evolution of the EU. In the first scenario I assume that a decentralisation happens. In the second scenario, instead, we observe a stabilisation, meaning that no further centralisation is carried out, but the control obtained by the EU in 2020 is kept stable. Finally, in the third scenario, the centralisation trend continues after 2020. It is important to underline that these scenarios aim a describing the future of the EU in the coming twenty or thirty years, which is already and ambitious prediction.

In these conclusions, for the sake of synthesis, I will provide a general discussion of all the three scenarios, discussing both their likelihood and desirability, while in the fourth chapter I created two different sections for the two degrees and in each of them I treated the three scenarios separately.

Starting from the analysis of the drivers of de/centralisation. We saw that all the drivers present in the EU are pushing towards centralisation. As I said previously, the institutional structure is conceived to foster centralisation, by encouraging cooperation and providing the means for it. The EU organs just need to obtain a leading role in this coordination effort. This should clearly not be taken for granted, but still means that the instruments to make it happen are already in place. Additionally, the socio-cultural trends favour a centralisation. This can be seen in the first place by the fact that a tendency to centralise is observed in the EU. Secondly, the political elites that express this view are predominant, and have remained such even in periods of strong Euroscepticism (as during the 2019 EU Parliament elections). As previously stated, crises and shocks have been a central element in the centralisation pattern, so considering that the Covid

crisis is not ended yet, we have no particular reason to believe that the centralisation effort will be interrupted.

The point I try to make is that a decentralisation scenario would imply a radical change in the political and public will, which may be generated by a harsh failure of the NextGenerationEU. At the same time, a failure of the NGEU would likely imply a persistence of the crisis. This means that, in order to observe a decentralisation, we should have a shift in the public opinion so strong to lead to a radical change in the political class, an interruption of the centralising trend present in the last thirty years and a complete reversal of the approach to crisis that the EU has had during this period. This is not impossible, but it would require a political earthquake lasting for a long enough period to make the public and the political class radically transform.

The post-Covid years are likely to be characterised by a debate around the centralisation of social policies. The NextGenerationEU is a first step in this direction, and the current political elites are expressing a clear will to pursue this path. It is likely that an opposition to the increase in the EU role will be present, but the Recovery Fund is a demonstration that large support in this direction is present. The most unlikely scenario seems to be that of a stabilisation, which would result from an inability of the EU to further centralise, while at the same time keeping the level of centralisation obtained in this crisis. It seems unlikely to have people supporting this kind of midway, which may only result from a political stall. Given the necessity to either continue to face the crisis, or to exit and recover from it, it is quite unlikely that we will face this scenario. Regarding its desirability, it would be more desirable than the decentralisation scenario, since it would not lead to a huge political earthquake (which obviously would have also social and economic effects), and it would not cancel the progresses that the EU has made in the last decades.

Treating this topic without adopting a normative perspective is not an easy task, and probably I partially engaged in this type of discourse during this dissertation. However, the empirical evidence supporting this work shows us that, regardless of our ideology, a centralisation is occurring in the EU and the Covid crisis is a turning point in this process. The direction in which the EU is trying to escape the crisis is clearly that of increasing the EU role. The backbone of the EU system favours this development and is built in such a way to make it easier to undertake.

The research question motivating this work was focused on a centralisation prospect: is it likely

to happen? Would it be desirable? I can conclude that a positive answer can be given to both questions. This answer does not result from an ideological position (even if I do not pretend to be immune to it), but rather from an observation of the concrete situation in the EU. The six federations observed confirm to us the fundamental impact that the above-mentioned drivers have in determining the centralisation of social policies. They also show us that, overcoming crises and shocks, the pattern has not changed, at least until reaching a balanced level of autonomy, with control shared by the central government and the constituent units. The EU shows to be following the same pattern and shows to be affected by the same drivers, which are still present and relevant today. For these reasons the centralisation scenario seems by far the most likely.

Its desirability is mainly assessed through the logic of considering a diffused and unmodified strategy as a good strategy and by general considerations about the prospects of a reversal in the trend. It is desirable to avoid the reversal of a gradual process that has started decades ago and that is getting close to a fundamental leap forward. It is desirable to aim at reaching the equilibrium that long-established and consolidated systems have reached, considering that the conditions for this to happen are all in place.

It is evident that predicting the future of the EU in the following decades is not an trivial task, maybe not even a possible one. The elements shaping its development are numerous and many of them maybe still not evident. We can just imagine how different this work would have been two years ago, without the prospect of a pandemic. Consequently, there is no need to say that this work does not pretend to forecast what the EU system will be in the next twenty or thirty years. The aim of this research is to assess the possible development the EU may take on the basis of empirical data.

As all empirical studies, this research is limited by the validity of the methodology adopted and by a correct operationalisation of the variables. Furthermore, it is probably impossible to consider all the elements which have shaped and will shape the EU pattern, but the hope is that this work has identified the most relevant ones.

Further research may focus on different aspects. First of all, it would be interesting to expand the sample, even including non-federal systems with a decentralised management of social policies (Italy is an example). Secondly, investigating the consequences of de/centralisation in a more complete way, by looking at all relevant indicators and by confronting them with the

performances of single states (rather than just a EU average). Finally, the next few years would likely be the stage of rapid developments, so new insights on the development of the prospected scenarios will be possible.

Bibliography

Ansell, C. and Gingrich, J. (2003) 'Trends in Decentralization', in Cain, B. E., Dalton R. J., Scarrow, S. E. (ed) *Democracy Transformed? Expanding Political Opportunities in Advanced Industrial Democracies. Comparative Politics* Doi:10.1093/0199264996.001.0001

Baldock, J., Mitton, L., Manning, N., Vickerstaff, S., (2012) 'Social Policy'. Oxford University Press.

Blakemore, K., Warwick-Booth, L., (2013) 'Social Policy: An Introduction'. Open University Press.

Boulding, K. E. (1967) 'The Boundaries of Social Policy', *Social Work*, vol. 12, n. 1, p. 3-11.

Bresser-Pereira, L. C. (2004) 'Democracy and public management reform: building the republican state', Oxford University Press.

Buti, M. and Messori, M. (2020) 'NEXT GENERATION EU: An interpretative guide', *Policy Brief 29/2020*, Luiss SEP.

Corry, J. A. (1941) 'The Federal Dilemma'. *Canadian Journal of Economics and Political Science* 7 (2): 215-228

Council Directive 2011/85/EU of 8 November 2011 on requirements for budgetary frameworks of the Member States. Official Journal of the European Union, L 306, 23 November 2011. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2011:306:TOC

Dardanelli, P., J. Kincaid, A. Fenna, A. Kaiser, A. Lecours, A. K. Singh, S. Mueller and S. Vogel. (2019) *De/Centralisation Dataset 1790-2010*. [Data Collection]. Colchester, Essex: UK Data Service, https://doi.org/10.5255/UKDA-SN-853510.

Dardanelli, P. *et al.* (2019) 'Conceptualizing, Measuring, and Theorizing Dynamic De/Centralization in Federations', *Publius: The Journal of Federalism*, 49(1), pp. 1–29. doi: 10.1093/publius/pjy036.

Dardanelli, P. *et al.* (2019) 'Dynamic De/Centralization in Federations: Comparative Conclusions', *Publius: The Journal of Federalism*, 49(1), pp. 194–219. doi: 10.1093/publius/pjy037.

Dardanelli, P. and Mueller, S. (2019) 'Dynamic De/Centralization in Switzerland, 1848–2010', *Publius: The Journal of Federalism*, 49(1), pp. 138–165. doi: 10.1093/publius/pjx056.

Davis, R. (1978) 'The Federal Principle – A Journey through Time in Quest of a Meaning' Berkeley, CA: University of California Press.

De/Centralisation Dataset. Data File: https://reshare.ukdataservice.ac.uk/853510/1/DcD_v1.csv (Accessed: 23 August 2021).

De Montricher, N. (1995) 'Decentralization in France', *Governance*, 8(3), pp. 405–418. doi: 10.1111/j.1468-0491.1995.tb00217.x.

Dodo, M.K. (2014) 'Historical Evolution of the Social Dimension of the European Integration : Issues and Future Prospects of the European Social Model', *L'Europe en Formation*, 372(2), p.

51. doi:10.3917/eufor.372.0051.

Donnelly, S. (2010) 'The Regimes of European Integration'. Oxford: Oxford University Press.

Duchacek, I. (1970) 'Comparative Federalism – The Territorial Dimension of Politics' New York, NY: Holt, Rinehart and Winston.

Eskeland, G., Filmer, D. (2002) 'Autonomy, Participation, and Learning in Argentine Schools: Findings and Their Implications for Decentralization' *Policy Research Working Paper 2766*, World Bank, Washington, DC.

Eurofound (nd) 'Social Policy Protocol'. Available at: https://www.eurofound.europa.eu/observatories/eurwork/industrial-relations-dictionary/social-policy-protocol (Accessed: 10 September 2021).

European Commission (2007) 'European agenda for culture in a globalizing world', Brussels. Available at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2007:0242:FIN:EN:PDF

European Commission (2008) 'European Economic Recovery Plan', Brussels. Available at: https://ec.europa.eu/economy_finance/publications/pages/publication13504_en.pdf

European Commission (2009) 'Commission adopts European Economic Recovery Plan'. Available at: https://ec.europa.eu/economy_finance/articles/eu_economic_situation/article13502_en.htm (Accessed: 12 September 2021).

European Commission (2020) 'Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions' Brussels. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52020DC0456&from=EN

European Commission (2020) 'European Union Citizenship and Democracy', *Flash Eurobarometer 485*. Available at: https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm

European Commission (2021) 'The EU's 2021-2027 long-term Budget and NextGenerationEU: Facts and Figures', Brussels. Available at: https://op.europa.eu/en/publication-detail/-/publication/d3e77637-a963-11eb-9585-01aa75ed71a1/language-en

European Commission (nd) 'Recovery and Resilience Facility'. Available at: https://ec.europa.eu/info/business-economy-euro/recovery-coronavirus/recovery-and-resilience-facility_en (Accessed: 13 September 2021).

European Commission (nd) 'European Education Area, Education and Training'. Available at: https://ec.europa.eu/education/education-in-the-eu/european-education-area_en (Accessed: 13 September 2021).

European Fiscal Board (2019) 'Assessment of EU fiscal rules', Brussels.

European Parliament Research Service (2016) Major changes in European public opinion towards the EU since 1973, Desk Research: 2015 Edition, European Parliamentary Research Service, Study for DG for Communication, Public Opinion Monitoring Unit, European

Parliament, Brussels. Available at: https://www.europarl.europa.eu/at-your-service/files/be-heard/eurobarometer/2016/major-changes-in-european-public-opinion-2016/report/en-report-exploratory-study-201611.pdf

European Union, Charter of Fundamental Rights of the European Union, 26 October 2012, 2012/C 326/02, available at: https://www.refworld.org/docid/3ae6b3b70.html (Accessed 13 August 2021).

European Union (2020) *Regulations, Directives and other acts*, *European Union*. Available at: https://europa.eu/european-union/law/legal-acts_en (Accessed: 12 August 2021).

Eurostat (nd) 'General government spending by function'. Available at: https://ec.europa.eu/eurostat/databrowser/view/GOV_10A_EXP__custom_1299482/default/table?lang=en (Accessed: 16 September 2021).

Eurostat (nd) 'Gini coefficient of equivalised disposable income'. Available at: https://ec.europa.eu/eurostat/databrowser/view/ILC_DI12__custom_1299935/default/table?lang=en (Accessed: 16 September 2021).

EUR-Lex (nd). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=LEGISSUM%3Aai0020 (Accessed: 12 August 2021).

EUR-Lex - 12008M005 - EN (nd) *Official Journal 115 , 09/05/2008 P. 0018 - 0018;* OPOCE. Available at: https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:12008M005:EN:HTML (Accessed: 17 August 2021).

EUR-Lex - Glossary of summaries (nd). Available at: https://eur-lex.europa.eu/summary/glossary/social_policy.html (Accessed: 13 August 2021).

Fenna, A. (2019) 'The Centralization of Australian Federalism 1901–2010: Measurement and Interpretation', *Publius: The Journal of Federalism*, 49(1), pp. 30–56. doi: 10.1093/publius/pjy042.

Ferguson, I. S., Chandrasekharan, C. (2011) 'Paths and Pitfalls of Decentralisation for Sustainable Forest Management : Experiences of the Asia-Pacific Region'. doi: https://www.researchgate.net/publication/241752581_Paths_and_Pitfalls_of_Decentralisation_for_Sustainable_Forest_Management_Experiences_of_the_Asia-Pacific_Region

Ferrer, J.N., Musmeci, R., Rinaldi, D., Polli, O. (2018) 'The UE Budget and its Conditionalities: an Assessment of their Contribution to Performance and Reforms', Brussels

Galiani, S., Schargrodsky, E. (2001) 'Evaluating the Impact of School Decentralization on Education Quality'. Doi: http://www.utdt.edu/Upload/_115332118904928800.pdf

Gregersen, H. et al. (2004) 'Forest Governance in Federal Systems: An Overview of Experiences and Implications for Decentralization', *Center for International Forestry Research*. Doi: https://www.cifor.org/publications/pdf_files/interlaken/interlaken_pre-paper.pdf

Kaiser, A. and Vogel, S. (2019) 'Dynamic De/Centralization in Germany, 1949–2010', *Publius: The Journal of Federalism*, 49(1), pp. 84–111. doi: 10.1093/publius/pjx054.

Kazepov, Y. (2010) *Rescaling Social Policies: Towards Multilevel Governance in Europe*. 1st edn. Edited by Y. Kazepov. Routledge. doi: 10.4324/9781315244433.

Kincaid, J. (2019) 'Dynamic De/Centralization in the United States, 1790–2010', *Publius: The Journal of Federalism*, 49(1), pp. 166–193. doi: 10.1093/publius/pjy032.

Lecours, A. (2019) 'Dynamic De/Centralization in Canada, 1867–2010', *Publius: The Journal of Federalism*, 49(1), pp. 57–83. doi: 10.1093/publius/pjx046.

Lexico Dictionaries. *Definition of SUBSIDIARITY* by Oxford Dictionary on Lexico.com English. Available at: https://www.lexico.com/definition/subsidiarity (Accessed: 17 August 2021).

Macartney, H. (2010) *Variegated Neoliberalism*. 0 edn. Routledge. doi: 10.4324/9780203836347.

Mueller, S. (2011) 'The Politics of Local Autonomy: Measuring Cantonal (De)centralisation in Switzerland', *Space and Polity*, 15(3), pp. 213–239. doi: 10.1080/13562576.2011.692579.

Merriam-Webster Dictionary. (online) *Definition of DECENTRALIZATION* (n d). Available at: https://www.merriam-webster.com/dictionary/decentralization (Accessed: 26 July 2021).

Merriam-Webster Dictionary. (online) *Definition of SOCIAL WELFARE*. Available at: https://www.merriam-webster.com/dictionary/social%20welfare (Accessed: 28 August 2021).

Oates, W. (1972) 'Fiscal federalism', New York: Harcourt Brace Jovanovich.

OECD (2019) *Making Decentralisation Work: A Handbook for Policy-Makers*. OECD (OECD Multi-level Governance Studies). doi: 10.1787/g2g9faa7-en.

Oxford Reference. *Social Policy*. Available at: https://www.oxfordreference.com/view/10.1093/oi/authority.20110803100515370 (Accessed: 10 August 2021)

Page, E. and Goldsmith, M. J. (1985) 'Centralisation and Decentralisation: A Framework for Comparative Analysis', *Environment and Planning C: Government and Policy*, 3(2), pp. 175–185. doi: 10.1068/c030175.

Puetter, U. (2012) 'Europe's deliberative intergovernmentalism: the role of the Council and European Council in EU economic governance', *Journal of European Public Policy*, 19(2), pp. 161–178. doi: 10.1080/13501763.2011.609743.

Regulation (EU) No 472/2013 of the European Parliament and of the Council of 21 May 2013 on the strengthening of economic and budgetary surveillance of Member States in the euro area experiencing or threatened with serious difficulties with respect to their financial stability. Official Journal of the European Union, L 140, 27 May 2013. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2013:140:TOC

Regulation (EU) No 473/2013 of the European Parliament and of the Council of 21 May 2013 on common provisions for monitoring and assessing draft budgetary plans and ensuring the correction of excessive deficit of the Member States in the euro area. Official Journal of the European Union, L 140, 27 May 2013. Available at: https://eur-lex.europa.eu/legal-

105

content/EN/TXT/?uri=OJ:L:2013:140:TOC

Sawer, G. (1969) 'Modern Federalism' London: Watts & Co.

Schütze, R. (2015) 'European Union Law' (1st ed.). Cambridge: Cambridge University Press. Doi: https://doi.org/10.1017/9781108555913

Singh, A. K. (2019) 'Dynamic De/Centralization in India, 1950–2010', *Publius: The Journal of Federalism*, 49(1), pp 112–137. doi: https://doi.org/10.1093/publius/pjy022

Strupczewski, J. (2021) 'Recovery plan is "opportunity of the century" for EU - Commission head', *Reuters*, 27 April. Available at: https://www.reuters.com/business/recovery-plan-is-opportunity-century-eu-commission-head-2021-04-27/ (Accessed: 17 September 2021).

Taveres de Almeida, M. H. (2006) 'Decentralisation and centralisation in a federal system: the case of democratic Brazil', *Revista de Sociologia e Política*, 1(se), pp. 1-18.

Taylor-Gobby, P. (2004) 'New Risks and Social Change', *New Risks, New welfare?* DOI: 10.1093/019926726X.003.0001

The British Academy. *What is social policy?* Available at: https://www.thebritishacademy.ac.uk/blog/what-is-social-policy/ (Accessed: 10 August 2021).

The De/Centralisation Dataset (no date) *The De/Centralisation Dataset*. Available at: https://de-centralisation.org/ (Accessed: 9 August 2021).

'Treaty establishing the European Economic Community' (1957) Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A11957E%2FTXT

'Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community' (2007) Official Journal of the European Union, C 306, 17 December 2007. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C:2007:306:TOC

'Treaty on European Union' (1992) Official Journal of the European Communities, C 191, 29 July 1992. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:C:1992:191:TOC

'Treaty on Stability, Coordination and Governance in the Economic and Monetary Union' (2013). Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:42012A0302(01)&from=EN

UNESCO (nd) *UIS Statistics – Government expenditure on education as a percentage of GDP*. Available at: http://data.uis.unesco.org/# (Accessed: 28 August 2021).

Verdun, A., D'Erman, V. (2020) 'Two decades of change in Europe: post-crisis social policymaking in the Eu' in *Social Policy in the European Union 1999 – 2019: the long and winding road (2020),* ed Vanhercke, B., Ghailani, D., Spasova, S., Pochet, P., Chapter 2, pp. 37 - 56.

von Braun, J., Grote, U. (2000) 'Does Decentralization Serve the Poor?' IMF Conference on Fiscal Decentralization, Washington, DC, November 20–21.

Watts, R. L. (2008) 'Comparing Federal Systems'. 3rd ed. Montreal, QC and Kingston, ON:

McGill-Queen's University Press.

Wheare, K. C. (1946) 'Federal Government' London: Oxford University Press.

Winkler, D., Gershberg, A. I. (2000) 'Education Decentralization in Latin America: The Effects on the Quality of Schooling' *LCSHD Paper Series No. 59*, World Bank, Washington, DC.

World Bank (nd) *Current health expenditure (% of GDP) - Australia, Canada, Germany, India, Switzerland, United States / Data*. Available at: https://data.worldbank.org/indicator/SH.XPD.CHEX.GD.ZS?locations=AU-CA-DE-IN-CH-US (Accessed: 28 August 2021).

World Bank (nd) *Gini index (World Bank estimate) - Switzerland, United States, Canada, India, Australia, Germany / Data*. Available at: https://data.worldbank.org/indicator/SI.POV.GINI?contextual=default&end=2018&locations=CH-US-CA-IN-AU-DE&name_desc=false&start=1971&view=chart (Accessed: 28 August 2021).

World Bank (nd) *Unemployment, total (% of total labor force) (modeled ILO estimate) - Australia, Canada, Germany, India, Switzerland, United States / Data*. Available at: https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS?locations=AU-CA-DE-IN-CH-US (Accessed: 28 August 2021).

World Bank (2008) *Decentralization in Client Countries: An Evaluation of the World Bank Support: 1990-2007*. The World Bank. doi: 10.1596/978-0-8213-7635-5.

Yuliani, E. L. (2004) 'Decentralization, deconcentration and devolution: what do they mean?', p. 5. Available at: https://www.cifor.org/publications/pdf_files/interlaken/Compilation.pdf