Institutional Change as Strategy: The Role of Decentralization in Party Competition

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Abstract

Why do governing parties voluntarily transfer significant political and/or fiscal powers to subnational authorities? Contributing to the literature on the origins of institutions, this paper views decentralization as an electoral strategy. Unlike existing strategic explanations, however, I argue that decentralization is a means to bolster a governing party's *national-level* electoral strength. It is a tool, akin to policy appeasement, used to co-opt pro-decentralization regionalist party voters. By conceiving of decentralization in this manner, we can understand why parties propose devolution reforms that would sabotage their control of the newly created subnational bodies. Because the costs of this institutional strategy are disproportionately concentrated at the subnational level, the policy will only be adopted and implemented by centralized parties that prioritize national-level power. I illustrate the power of the institutional appeasement theory by examining intranational variation in the degree and timing of decentralizing reforms in the regions of Great Britain.

Why do existing governments choose to give away some of their powers to subnational authorities? Given that the maximization of power is assumed to be a central goal of political actors, it may seem puzzling that parties controlling the vast political and fiscal competencies of a central government would be willing to transfer them to other levels of government. And yet, over the past forty years, waves of political and fiscal decentralization have swept across countries in Latin America, Africa, Asia and Europe. In Western Europe alone, subnational assemblies with directly elected officeholders have been created in sixty-seven regions across five countries since 1970.[1]

Explanations for why national governments voluntarily weaken their own power can be grouped into two major categories. Scholars have argued that governments decentralize either because it benefits the country, economically (Alesina et al. 1999) or politically (Stepan 1999; 2001), or because it benefits the governing party, specifically by increasing the party's power at the subnational level (Garman et al. 2001; O'Neill 2003; 2005).

While these theories are innovative and have proven useful for elucidating specific cases, a casual review of decentralizing reforms around the world indicates that these theories cannot fully account for the pattern – variety and timing – of decentralization. Whereas the first set of theories suggests that the advantages of decentralization should be recognized and supported by all governments and political actors in countries with heterogeneous preferences or ethnically divided multinational societies, support for decentralization schemes has varied across political parties and governments within these countries, as cases from Spain and Belgium to Canada demonstrate. Nor can we conclude that decentralization is motivated primarily by a party's subnational interests. Political parties have transferred significant political and even fiscal

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[1] These countries are Belgium, France, Italy, Spain and the United Kingdom. Data from World Bank (2000: 116) and US State Department, Background Notes, various countries. http://www.state.gov/r/pa/ei/bgn (accessed December 29, 2007).

powers to subnational governments that they did not expect to control. Moreover, these decisions were often made *against* – rather than in response to – the wishes of the parties' regional elite. By decentralizing political and/or fiscal powers, governing parties were decreasing, not increasing, their subnational strength.

To account for the pattern and timing of decentralization reforms, this paper proposes an alternative strategic explanation rooted in the exigencies of national-level party competition. Whereas the existing explanations have treated decentralization as just one of many possible forms of institutional rearrangement that parties can use to benefit themselves or the country, it is also a specific policy demand of ethnoterritorial parties and their voters. It follows that, for governing parties, decentralization may be a strategy of policy appeasement designed to bolster the party's *national* support by undermining electoral threats from these regionalist parties. Increased regional autonomy is effectively traded for regionalist party voter support in national-level elections, with the degree of decentralization dependent upon the degree of regionalist party threat. In aiming to secure national-level voter support, however, the strategizing party may propose governmental and electoral reforms that sabotage its control of the newly constructed subnational bodies. Since the costs of decentralization are concentrated at the subnational level, I maintain that decentralization is likely to be implemented only when threatened political parties are highly centralized, have a high degree of party discipline and prioritize national-level power over subnational control.

In this paper, I test the institutional appeasement argument and the competing theories by analyzing the nature and timing of decentralization reforms across multiple regions within Great Britain, an unlikely decentralizer. An examination of archival documents, party materials and survey data reveals that the asymmetrical decentralization of political and fiscal powers across

Scotland, Wales and England advocated by British – specifically Labour – governments depended on the degree of ethnoterritorial party threat and mainstream party electoral vulnerability in each region. Moreover, despite the articulation of a commitment to decentralize power to Scotland and Wales by Labour governments in the 1970s, the reforms were only successfully implemented in the 1990s with the extensive centralization of the Labour Party, whereby power became concentrated in the hands of nationally focused leaders. This paper provides new evidence that decentralization is another tactic in a mainstream party's strategic tool kit with which to combat party challengers and to maintain power at the national level.

Why, When and to What Extent Decentralize? Past Arguments

A variety of explanations has emerged to account for the spread of decentralization, but common to most explanations is the perception of decentralization as a *means*; decentralization is viewed as a structural rearrangement – the reallocation of power from the central government at the national level to the subnational level – adopted by a set of actors to produce specific and presumably desirable outcomes. For one set of scholars coming out of the economics tradition, decentralization is a means to achieve efficiency gains in heterogeneous environments. Following from the fiscal federalism literature (e.g., Tiebout 1956; Inman and Rubinfeld 1992; Peterson 1995; Donahue 1997; Oates 1999), it has been suggested that governments will decentralize to maximize social welfare by more efficiently satisfying the divergent policy preferences of culturally or sectorally distinct groups (Alesina et al. 1999). The conception of decentralization as a means of benefiting societies with heterogeneous preferences is also at the heart of Stepan's "holding-together" federalism argument. Stepan focuses on multinational

countries, and the specific goal of decentralization is to "maintain the unity of the country" (Stepan 2001: 321).

The popularity of decentralization reforms in multinational countries with divergent regional preferences, such as India, Canada, Belgium, Spain and Great Britain, seems to be a strong indicator of the plausibility of these theories. And, consistent with the goal of this paper to explain the *timing* of these reforms, these theories focus on factors that could vary over time. But a closer look at both the theories and extant cases of decentralization reveals the limits of these approaches. Although countries have often decentralized along geographically focused ethnic, cultural or linguistic lines, as Alesina et al. and Stepan would expect, the degree and timing of decentralization does not necessarily reflect a region's level of cultural or ethnic distinctiveness; not only have "less ethnic" regions received higher degrees of regional autonomy than their "more ethnic" counterparts, as the cases of Scotland versus Wales and Brussels versus the German-speaking Community of Belgium demonstrate, but also decentralization reforms have become more popular, not less, over the past century as regional cultural differences in general have declined.

Moreover, implicit to both of these models is the idea that decentralization is a largely consensual decision, ready to be embraced by any government faced with the problem of heterogeneous preferences. Yet, not all governments or political parties in countries with recognized regional differences have supported decentralization; witness the staunch anti-decentralization positions of the French Gaullist Party and the British Conservatives. And in the case of Alesina's heterogeneity argument, it is unclear that those governing parties in favor of decentralization – who, after all, are actors interested in securing and maintaining voter support – would have campaigned for and implemented costly institutional changes on the basis of

efficiency arguments. As O'Neill (2005: 38) aptly notes, "Efficiency gains become manifest only in the long term, and there is little certainty that credit for those gains will accrue to the party responsible for the reform, rather than the party at the local level providing the more efficient local goods." Thus, while the heterogeneity arguments are prima facie appealing, they are strained to account for the behavior of political parties and the patterns of decentralizing reforms they enact.

The second set of explanations, on the other hand, explicitly recognizes decentralizing governments as power-seeking actors. According to them, decentralization is a party strategy: political actors decentralize when doing so improves their political, electoral or economic power at the subnational level. Where theories in this group differ is in the identity of the strategizers and the nature of the subnational rewards. For O'Neill (2003; 2005), the actors are governing political parties, and their motivation is future control of subnational levels of government. She argues (2005: 16) that governing parties facing a decline in their national-level support will decentralize power if they are popular at and can expect to gain power at the subnational level.

Whereas the electoral strength of the party is prominent in O'Neill's model, Garman et al. (2001) locate the decisive factor more specifically within the interests of the political party elite. Decentralization, they argue, is the means to enhance the power of subnational political leaders. The implementation of decentralizing reforms depends on the formal institutional structure of the political party; they claim that parties dominated by subnational elite will favor greater (fiscal) decentralization, whereas parties controlled by national leaders will prefer (fiscal) power to be concentrated at the national level.

These party-based strategic approaches stand out as more plausible explanations of why governments would choose to transfer significant competencies to other elected authorities. But

each has limitations for explaining the puzzle of decentralization. While a goal of this paper is to explain a variety of decentralizing reforms, O'Neill's theory and analysis are focused solely on decisions to devolve the combination of both political and fiscal power.[2] In contrast to Garman et al. (2001: 234), who claim that their hypotheses about fiscal decentralization are also likely to apply to cases of political reform, O'Neill views political decentralization in the absence of fiscal decentralization as a qualitatively different process driven by "different reform motives" (2003: 1071).[3] Garman et al. (2001), for their part, are less capable of accounting for the *timing* of such reforms. With their theory based on the institutional characteristics of political parties, demand for decentralization is expected to be rather time-invariant, thus making their theory less well suited for explaining why the reforms were adopted in one year as opposed to another.

A larger limitation of these party-based theories – one that affects the heterogeneity arguments as well – stems from their singular view of decentralization as a means to alter the structure of the political environment for parties. There is little mention of voters within these approaches; parties maneuver to improve their electoral potential or fiscal and political power *without regard to* the behavior of voters.[4] Yet, it should not be forgotten that decentralization is also an end.[5] It has a particular policy content: to bring government and decision-making power closer to the people. And, just as voters may express policy preferences on issues like taxes, the

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[2] This is, no doubt, a decision reflecting the arrangements observed in Latin America, her region of study.

[3] Although this paper will demonstrate, contra O'Neill's claim, that the decision to transfer political power is just a less extreme version of the decision to transfer both political and fiscal powers, one of the factors that she lists as shaping political decentralization decisions exclusively – i.e., pro-decentralization electoral pressures (2005: 217) – will prove central to understanding all decentralization reforms.

[4] While one could construct a story about the coercive role of regionalist voters consistent with an account of decentralization as a "holding-together" device, voters are not mentioned by Stepan. The mechanism behind his hypothesis is not explicitly spelled out, but his story seems to be rather that decentralization will "hold together" multinational societies by diffusing the power and sharing it among groups with heterogeneous preferences, a rationale consistent with that of Alesina et al. Heller (2002) likewise presents a strategic story of decentralization devoid of voters.

[5] O'Neill is explicit about her conception of decentralization as a means and not an end. She states (2003: 1075), "instead of institutionalizing particular policies, decentralization institutionalizes a new configuration of power sharing."

environment and health care, the electorate may also hold opinions on whether political and/or fiscal powers should be decentralized to subnational and regional officials.

An Institutional Strategy of Policy Appeasement

Recognition that decentralization is also a substantive policy stance has implications for why and when parties decentralize. If voters have preferences on the decentralization-centralization issue, then parties can advocate positions on that policy dimension in order to attract like-minded voters. Constitutional reform thus becomes a campaign issue similar to a pledge to reduce taxes, pass environmental regulations or improve health services. It is the programmatic tactic standard to the spatial conception of party competition: behavior designed to sway the voting decisions of the electorate (e.g., Downs 1957: chapter 8).

But, one may ask, why would a party campaign on constitutional reform? According to O'Neill (2005), decentralization is not often seen as a salient campaign issue. Yet, while it may be difficult to mobilize the masses in many political systems with calls for greater fiscal responsibility at the subnational level, decentralization takes on a new importance when regionalist or ethnoterritorial parties compete in the national electoral arena. Championing the interests of people belonging to some identifiable cultural, linguistic, historical or regional group (Thompson and Rudolph 1989: 2), these parties campaign for and attract support on the basis of the issue of greater regional autonomy, with their demands ranging from recognition of their cultural and linguistic differences to political and fiscal decentralization.[6] Mainstream parties hoping to draw voters away from threatening ethnoterritorial parties in national elections would

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[6] Although ethnoterritorial parties often present policy stances on a variety of issues, they are typically perceived by voters to be single-issue parties (Meguid 2008).

therefore advocate decentralization.[7] In contrast to the scenarios studied by Garman et al. (2001)

and O'Neill (2003; 2005), in this situation, the mainstream party is not motivated primarily by

the anticipated effects of decentralization at the newly created subnational level. Rather,

decentralization is a programmatic tool designed to strengthen a party's *national-level* electoral

power.

A decentralization strategy is not costless, however. Decentralization reduces the powers

of the very national government that the strategizing mainstream party seeks to control. By

legitimizing the perceived need for greater regional control of government, the mainstream

party's decentralization policy also reinforces the claim that the region and its subnational

government is the regionalist party's natural sphere of influence. Consequently, the shift of

electoral support from regionalist to mainstream party at the national level may be accompanied

by an increase in regionalist party strength relative to that of the strategizing mainstream party at

the (new or newly empowered) subnational level. It follows that mainstream parties seeking to

secure their national-level electoral control will devolve as few of the national government's

competencies as necessary to appease regionalist party voters and reduce regionalist party threat.

The degree of the reforms offered (i.e., political or the more extensive political and fiscal

decentralization), therefore, is expected to increase with the level of ethnoterritorial threat and

the vulnerability of the mainstream party.

To What Extent and When?

If decentralization is a strategy to bolster a party's national electoral support, mainstream

parties will only decentralize when they face regionalist parties jeopardizing their national-level

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[7] The credibility of the mainstream party is helped by its status as a governmental actor; unlike the legislatively
weaker regionalist parties, it is reasonably likely to be able to effect the institutional change desired by the
regionalist voters.

electoral strength.[8] To what extent and when a party advocates decentralizing reforms depends

on three factors: how many votes the ethnoterritorial or regionalist party is taking from the

mainstream party, the vulnerability of the mainstream party to that vote loss, and the

organization of the mainstream party.[9]

First, the strategizing party will only offer concessions to an ethnoterritorial or regionalist

party that is a threat, defined as attracting voters from the mainstream party. If the pro-

decentralization party is not stealing many or any of the mainstream party's voters, then it is

likely that decentralization is not a popular position among the mainstream party's electorate,

and policy appeasement would fail to result in a net gain of voters for the mainstream party.[10]

Second, the ethnoterritorial party threat must be jeopardizing the electoral security of the

mainstream party. Decentralization will be employed when the votes that the regionalist party

steals are concentrated so as to threaten the seat attainment of the mainstream party. How this

scenario arises depends on the specific electoral system. Under single-member plurality systems,

for instance, this can occur when votes are lost in districts that the mainstream party holds by a

slim margin. And in both single-member plurality and more proportional electoral systems, this

situation might result from the loss of votes in districts that are traditional mainstream party

strongholds and upon whose support the party depends for legislative success. Conversely, if the

distribution of vote losses does not jeopardize a mainstream party's hold of specific seats, or

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[8] Heller (2002) advances a different strategic story about the role of regionalist parties in decentralization, a story of logrolling whereby minority national governments offer decentralization to regionalist parliamentarians in exchange for their support on legislative votes. Thus, he predicts that decentralization will only occur under minority governments. As I show later in this paper, this was not the case for Labour's 1998 decentralization policies towards Scotland and Wales, and his theory cannot account for the adoption of pro-decentralization policies by British mainstream parties when out of office.

[9] Although Stepan (1999; 2001) also argues that decentralization is a tool for governments to address the regional autonomy demands of ethnoterritorial parties, his "holding-together federalism" argument rests on a government's concern about maintaining country unity, rather than its party's electoral support. Thus, in contrast to my hypotheses, he expects there to exist a cross-party political consensus around decentralization (Stepan 2001: 324, Table 15.1).

[10] Parties might adopt decentralization despite expectations that it will lead to a net loss of votes in the rare case that the votes gained result in the winning of seats and the votes lost do not jeopardize the party's hold of other seats.

even more importantly, its control of the national legislature, the mainstream party is less likely to embrace decentralization.

While these two factors determine the overall level of threat posed by the regionalist party to a particular mainstream party, they alone are insufficient to determine whether that mainstream party advocates and implements decentralization. Of course, a mainstream party that is in opposition or has little control over the legislative process will not be able to enact decentralizing reforms regardless of its desires. But the decision to decentralize also rests on the preferences and organizational structure of the mainstream party. Because the electoral costs of decentralization to the strategizing party are likely to be concentrated at the subnational level – as vote loss in subnational elections – parties and elite that do not prioritize national-level power are less likely to adopt and implement decentralization.

But even when party elite are predisposed to favor the national electoral scene, the likelihood and timing of this strategy depend on the structure of the party, specifically the degree of party centralization and discipline. In direct contrast to the claims of Garman et al. (2001), I argue that decentralization is more likely to occur when the party is centralized, with some degree of national leadership autonomy and power held by the national, as opposed to the subnational, political elite. Moreover, the national party needs to possess mechanisms to enforce party discipline. If the national party leadership is not in control of party decision making or if party representatives do not toe the national party line, then a mainstream party is less likely to adopt and implement a credible decentralization strategy. While these institutional features of a party may be relatively fixed in the short term, changes in the organization over time have implications for the specific timing of decentralization.

Decentralization in Great Britain: Asymmetrical Appeasement of Regionalist Party Demands

The rest of this paper examines the merits of this and the other theories by exploring variation in the degree and timing of decentralization policies across regions of Great Britain.[11] This set of cases is well suited for testing the competing hypotheses for several reasons. First, Great Britain was an unlikely decentralizer, having had a long history of centralized government. Consistent with a common premise of the set of strategic theories of decentralization discussed here, the decisions by the Labour Party to decentralize (and the Conservatives not to) were not mere reflections of the country's or even the adopting political party's core philosophy or ideology; the policies on decentralization were deliberate decisions. Second, Great Britain contains within its borders culturally and linguistically distinct regions, many with their own ethnoterritorial parties, thus providing conditions seemingly amenable to both the heterogeneity explanations and my own appeasement theory. The fact that Great Britain is one of many countries shaped by similar ethnic and regional divisions lends to the generalizability of this study's findings to the broader universe of cases.

But, unlike some of those cases, Great Britain also provides an ideal environment in which to test the degree and timing hypotheses of the set of decentralization theories. Within this one country, there has been wide variation in the extent of competencies transferred from the central government to different regions. At one extreme is Scotland, where the Labour government's 1998 Scotland Act granted significant policy-making and limited tax-raising powers to a newly created and directly elected Scottish Parliament. At the other extreme are the English regions which, while they have undergone some restructuring of their local governments,

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[11] Northern Ireland also has a regional assembly, the current incarnation of which has devolved legislative and executive powers. However, due to its distinct, violent and non-comparable history and political environment vis-à-vis the rest of the UK, and the irredentist and thus international nature of its regionalist demands, Northern Ireland is excluded from the analysis, and the focus is restricted to Great Britain.

have not received even the paltry regional assemblies with limited executive functions that the Labour Party periodically and half-heartedly has proposed for them. In the middle lies the case of Wales, where the Labour government's National Government of Wales Act of 1998 created a directly elected Welsh Assembly with limited policy-making competencies.

Variation in the degree of decentralization has also been accompanied by variation in the timing of these institutional reforms. While the Labour Party and Labour governments have voiced their commitment to devolution for Scotland and Wales – as embodied in concrete bills – since the 1970s, the reforms were only successfully adopted in 1998. The idea for toothless English regional assemblies was also discussed in the 1970s, but not formally presented to Parliament until 2002 and then withdrawn from Labour's agenda in 2004 before the creation of these weak regional bodies. These two dimensions of intracountry variation provide an opportunity to test the causal mechanisms behind the competing theories while holding constant country-level factors, such political and electoral institutions, history, decentralization philosophy, and even the identity of the strategizing political party.[12]

Whether to Devolve

How does one account for the variation in the degree of decentralization implemented across Great Britain under Labour Party rule? To test the merits of the competing theories of decentralization, we need to consider the nature of party and electoral competition. If, as argued by my theory, parties decentralize to appease threatening regionalist or ethnoterritorial parties, what was the nature of the electoral threat to the mainstream parties, and why was decentralization Labour's answer in Scotland and in Wales, but not in England?

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[12] All of these cases of decentralization (or continuing centralization) occurred under a Labour Party government.

<u>Asymmetrical Mainstream Party Vulnerability</u>

Consistent with the expectations of both O'Neill's theory and my theory of institutional appeasement, the Labour Party's embrace of decentralization for Scotland and, to a lesser extent, for Wales starting in the 1970s coincided with a period of general electoral vulnerability for the party. The Labour Party rarely held a majority of the Westminster seats between 1970 and 1997. Even when it was in government between 1974 and 1979, the Labour Party's lead was either slim or non-existent.

Labour's electoral vulnerability was not evenly felt across the country, however. The party depended disproportionately upon support from Scotland, Wales and the North of England. It consistently captured more than 55% of the seats in these regions – a larger percentage than in the rest of the regions of Great Britain.[13] And seats in Scotland, Wales and Northern England constituted between 55% and 74% of Labour's *overall* Westminster seat total following each election between 1970 and 1997. With Labour making few consistent regional gains outside of these areas, Scottish, Welsh and Northern English seats meant the difference between a Labour Party electoral majority and a Labour Party in opposition.[14]

As follows in a largely two-party system, the electoral misfortunes of one mainstream party spell the relative good fortunes of the other. The Conservatives controlled the government for 22 years between 1970 and 1997, with their electoral success most pronounced in English seats. Across the entire 28-year period, the Conservatives won an average of 56% of English seats and 85% of the seats in Southern England, their heartland. Moreover, even including the six years that they were in opposition, the Conservatives' support came overwhelmingly from

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[13] Indeed, even when the Labour Party controlled the majority of parliamentary seats under the Wilson government following the October 1974 election, it captured only 39% of the seats across the rest of Great Britain, which includes London, the South of England and the Midlands. Calculations from Butler and Butler 2000: 241.

[14] As Brand (1979: 4) pointed out with regard to Scotland, "If the SNP replaced Labour as the majority party in Scotland, the probability of Labour forming a British government would be seriously diminished."

England: between 88% and 95% of the seats the Tories won between 1970 and 1997 were English! With this level of regional dominance and dependence, the party and its prospects for retaining control of the national government were relatively immune to the loss of support it experienced in Scotland and Wales.

The Ethnoterritorial Party Threat

Strong Threat (to Labour) in Scotland   The emergence of ethnoterritorial parties across Great Britain, therefore, had different effects on the electoral security of the two mainstream parties. In Scotland, the Scottish National Party (SNP) challenged the Labour Party's regional dominance and, as a result, its national standing, while leaving the Conservative Party, if not completely unaffected, at least not threatened nationally. Between 1970 and 1997, the SNP consistently captured more than 11% of the vote in Scotland and achieved an average of 18.8% and 4.4 seats per election (see Table 1). Survey data reveal that former Labour voters were the number one source of new support for the SNP during every General Election between 1970 and 1997 except one.[15] Moreover, in the February 1974 election, the SNP gained as many votes from former Labour voters as from previous SNP supporters.[16] This flow of voters from Labour to the SNP was not, furthermore, offset by a reverse flow of disgruntled SNP voters back to Labour. During these three decades, less than 10% of all Labour support in any given General Election came from former SNP supporters.[17]

[Table 1 about here]

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[15] The exception was the October 1974 election. Calculations from *British Election Study*, various years; *Scottish Election Study*, various years.
[16] Calculations from *British Election Study, February 1974*.
[17] Calculations from *British Election Study*, various years; *Scottish Election Study*, various years.

While the loss of *any* support in Scotland was problematic for the Labour Party, the SNP's threat, especially during the 1970s, was further exacerbated by the geographic concentration of defecting Labour voters in Labour's marginal seats, defined as districts won by 10 percentage points or less. As politicians recognized at the time, this distribution of SNP support posed a severe danger to Labour. Labour MP John P. Mackintosh (1975: 3) remarked:

> If there was a 3% swing from Labour to the SNP, it would give the party a popular majority in Scotland and with each percentage point a number of the 36 seats held by Labour in which the SNP is now running second, would change hands.

Although the SNP's threat to Labour's marginal districts was less pronounced in subsequent elections, the absence of close SNP-Labour races in Labour's seats did not mean that the SNP's threat to Labour was eliminated. In the 1980s and 1990s, the SNP managed to win seats previously held by the Conservative Party; had the SNP not been present in those districts, however, the seats would have been won by the Labour Party. In other districts, the competition between the SNP and Labour for voters hindered Labour's ability to effectively challenge the weakening Conservatives and the Liberal Democrats. Labour was never immune to the Scottish ethnoterritorial party's presence.

The Conservatives were less affected than Labour by the draw of the Scottish nationalists. Although they did lose votes to the SNP, especially in the 1974 elections,[18] by 1979, the vast majority of the Conservatives' voters opposed the SNP's pro-decentralization platform and did not defect in significant numbers to the Scottish party.[19] That is not to say that over the 28-year period, the Conservatives did not lose seats in Scotland, some of which went to

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[18] For the only time in the 28-year period, the Conservative Party even surpassed Labour to become the largest party contributor of new voters to the nationalist party in the October 1974 election.

[19] Calculations from *Scottish Election Study, 1979*.

the SNP; they did.[20] However, the decline in Conservative Party strength in Scotland was generally the product of growing Tory disillusionment and abstentionism and the rise of the Liberal Democrat Party, not the result of a threatening SNP.[21]

Intermediate Threat (to Labour) in Wales   Garnering an average of 9.4% of the Welsh vote and 2.5 seats in each election from 1970 to 1997 (see Table 1), the Plaid Cymru (PC) was weaker than its Scottish counterpart. Its threat to the mainstream parties was likewise weaker than that of the SNP, but it was not negligible, especially for the Labour Party. Data from the British Election Studies from 1974 to 1997 reveal that former Labour Party voters made up the largest percentage of new voters for the PC in any given election.[22] These findings based on admittedly small samples are supported by data from other, more in-depth studies. For instance, the Welsh Election Study of 1979 reports that 20% of 1979 PC voters had supported Labour in the previous election, resulting in a loss of 2.3% of Labour's October 1974 Welsh electorate. And the number of voters defecting from Labour to the ethnoterritorial party in 1979 was not matched by a return flow of former PC voters to the Labour Party. In addition, the 1979 survey data show that "considerable potential for more widespread nationalist [Plaid Cymru] support exists, especially among Labour partisans" (Balsom, Madgwick and van Mechelen 1983).

Labour's modest voter defection resulted in the loss of current and potential Westminster seats. In the February and October 1974 elections, the Plaid Cymru won Labour seats – two seats and one seat, respectively – due in part to the transfer of votes from the mainstream party. The ethnoterritorial party occasionally placed second in Labour's marginally held seats, directly

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[20] The number of Conservative seats in Scotland fell from 23 in 1970 to 0 in 1997, with the party averaging 21 seats in the 1970s versus 6 seats in the 1990s. Calculations from Butler and Butler 2000.
[21] Calculations from *British Election Study*, various years; *Scottish Election Study*, various years.
[22] The one exception was the 1992 election where, according to the weighted BES sample, the SDP/Liberal Party was the only party to lose votes to the PC. Calculations from *British Election Study*, various years.

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endangering the mainstream party's hold of the districts. But the most extensive threat posed by the PC to the Labour Party occurred indirectly. In all but two elections between 1970 and 1997, the number of votes PC candidates received in at least one Conservative district exceeded the vote margin between the victorious Conservative and runner-up Labour candidate.[23] Had Labour managed to retain or gain these ethnoterritorial votes, it would have won these seats. Through many different avenues, therefore, the presence of the Plaid Cymru was contributing to the electoral weakening of the Labour Party. Indeed, in the words of one Labour MP, the PC was "the biggest challenge to Labour in Wales."[24] And failure to secure support and seats in Labour's "most loyal electoral heartland" (Morgan and Mungham 2000: 69) would prevent Labour from controlling the national government.

The Conservatives, on the other hand, were largely immune to the rise of the Plaid Cymru. In all but two elections between 1974 and 1997, the British and Welsh Election Studies reveal that the PC was not stealing *any* Conservative voters. And in the cases of defection to the PC recorded by the 1979 Welsh and 1987 British Election Studies, the Conservatives' minimal losses of 0.6% and 2.4% of their reported former voters were met or exceeded by the reverse defection of PC voters to the Tories. Although the Conservatives did lose electoral support in Wales during this period, it was not at the hands of the ethnoterritorial party challenger.

Minimal Regionalist Party Threat in England   While Labour was being threatened by the presence of devolutionist parties in its Scottish and Welsh strongholds, the situation for the mainstream parties in England was very different. Ethnoterritorial parties sprang up and

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[23] The numbers are 4 in 1970, 1 in February 1974, 2 in October 1974, 1 in 1979, 0 in 1983, 2 in 1987, 1 in 1992 and 0 in 1997. Author's calculations from Outlaw 2005.
[24] Griffiths quoted in Morgan and Mungham 2000: 78.

contested Westminster elections in the English areas of Cornwall, "Wessex"[25] and the Isle of Wight, but because of their low popularity – gaining between 0.3% and 2.8% of the vote in contested constituencies per election – and their concentration largely in Conservative or Liberal safe seats, these parties did not exacerbate either the Conservatives' or Labour's electoral vulnerability (see Table 1).[26]

That is not to say that the mainstream parties, and especially Labour, did not feel any electoral pressure to decentralize in England. In Labour's case, while no separate pro-devolution party developed to threaten the party in its Northern heartland, voices in support of greater regional autonomy for Northern England did emerge periodically in the 1970s and 1990s from grassroots organizations and even from within the Labour Party's ranks. But they were largely limited to the elite[27] and, even then, not always sincere. For instance, in 1975, concerned that existing regional inequities would be exacerbated by devolution to only Scotland and Wales, Labour MPs from the North-East raised the idea of English regional assemblies. Rather than reflecting a sincere desire for devolution, these proposals for English regionalism were largely introduced by opponents of decentralization as a means to mobilize support against the adoption of devolution *anywhere* in Britain.

A similar situation emerged in the 1990s when calls for a Northern regional assembly were made by mass organizations, such as the Campaign for a Northern Assembly, as well as by Northern Labour politicians (Sandford 2006), the latter largely in response to Labour's

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[25] The Wessex Regionalist Party is fighting for the recognition and revival of Wessex, a somewhat contested region of England typically thought to comprise parts of South West England, including Devon. http://www.zyworld.com/wessexsociety/caseforwessex.pdf accessed January 17, 2008.

[26] Every district in which the Wessex Regionalist Party and the Isle of Wight's Vectis Nationalist Party ran candidates was a Conservative safe district. The Cornish parties (Mebyon Kernow and the Cornish National Party) typically contested safe Conservative and Liberal districts. But even on the five occasions when their candidates were in seats won or lost by a less than 10% margin, the number of Cornish party voters was too small to change the outcome of the election. Calculations from Outlaw 2005.

[27] Guthrie and McLean (1978: 195) report: "There is little evidence to suggest that devolution is perceived as an important issue among non-elites in the Northern Region."

promotion of a parliament for Scotland (Morgan and Mungham 2000: 40). Yet, as in the 1970s, there was still strong loyalty to the Labour Party among the voting public and the MPs, for the most part, limiting the electoral threat of English devolution either at the voting booth or in the House of Commons.[28]

Strategic Decentralization

Faced with differing degrees of regionalist threat across and within the regions of Great Britain, the mainstream parties adopted different stances on decentralization. After flirting with the idea of limited regional autonomy for Scotland between 1968 and 1974 when they were directly and significantly menaced by the SNP, the Conservatives as of 1977 adopted a strong stance against devolution for Scotland to match their existing anti-assembly position for Wales and England. Thus, in contrast to the pro-decentralization stance expected by Stepan (1999; 2001) for all parties facing nation-dividing ethnoterritorial movements, Conservative MPs spoke out against the Labour Party's devolution proposals; the Conservative Party and its regional branches spearheaded the "No" campaigns for the Scottish and Welsh assembly referenda in both 1979 and 1997; and the Thatcher and Major Conservative governments did not present pro-decentralization bills for any British region. It was recognized that appeasing the SNP, the PC and the ethnoterritorial parties in England would result in greater vote losses in Westminster elections from anti-devolution Conservatives across Britain than gains from pro-devolution voters.[29] Given the relative invulnerability of the Conservatives to losses in the peripheries,

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[28] In the 1992 and 1997 General Elections, the Labour Party captured 65.6% and 88.0% of the seats in this region (Butler and Butler 2000).

[29] Similarly, an argument was made about the effect of decentralization on the defection of MPs from and attraction of MPs to the Conservatives. Conservative Party Archives (hereafter CPA), LCC/76/146, William Whitelaw, "Options for voting by the Party in the Second Reading of the Devolution Bill," 19 Nov. 1976: 5.

party advisors, thus, counseled the Conservative leadership as early as 1975 to "write off" Scotland and Wales and focus its attention on (anti-devolution) England.[30]

Confronted with a strong electoral threat in Scotland, a more moderate menace in Wales and a relatively weak regional threat in England, the Labour Party developed an asymmetrical decentralization policy. In response to the SNP and PC's momentous electoral performances starting with by-elections in 1967 and culminating with the 1974 General Elections, Labour articulated and prioritized a devolution policy for Scotland and Wales. In 1976, Labour presented the Scotland and Wales Bill to Parliament; the bill called for the creation of a Scottish Assembly endowed with legislative (law-making) and executive (law-implementing) powers, whereas the Welsh body would be limited to executive functions. The difference in the degree of devolution promised to each region was consistent, not with their perceived cultural distinctiveness as expected by Alesina et al., but rather with the relative threat levels of the SNP and the PC.[31] English devolution, in contrast, remained off the Labour government's agenda. Vague proposals for relatively powerless English regional assemblies were discussed within the Labour Party starting in 1975 due to pressure from some of the Northern English Labour MPs, but the Callaghan government explicitly disavowed any plans for English political devolution during the 1970s (Bogdanor 1999: 266-271).

According to both proponents and opponents of Labour's devolution policies at the time of their initiation in the mid-1970s, the motivation behind the decentralization proposals for Scotland and Wales was the quelling of ethnoterritorial party electoral threat in national-level

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[30] CPA, CRD 4/15/8, Nevil Johnson, "Devolution Policy: Some Issues of Principle and Some Practical Problems," 11 Feb. 1975: 7.
[31] While the proposals would undergo many revisions before the Scottish Parliament and Welsh Assembly were created in 1998, one constant across them was the idea that the Scottish subnational body would receive more powers than the Welsh one.

elections. Pro-devolutionist Scottish Labour MP John Mackintosh (1975: 3-4) noted with regard

to Scotland:

> Some have accepted the need for this kind of devolution out of fear that unless action is
> taken along these lines, the SNP will gain even more than the 30% of the vote and the
> eleven [out of seventy-one] Scottish seats which it secured in the General Election of
> October, 1974. It is true that in large part it was this fear which pushed the Labour Party
> to include devolution in its election manifesto for the second general election of 1974.
> The fear is realistic.

But, as observers and internal Labour Party documents alike highlighted, at stake was not just the

loss of individual MPs' seats. To quote Bogdanor (1979: 13-4), Labour saw Scottish devolution

as "an essential prerequisite for the continued existence of the [Labour] government."

Devolution was a means of securing the party's national-level strength. In further contrast to the

expectations of O'Neill's subnationally focused theory, Labour politicians openly acknowledged

both in the 1970s and 1990s that national appeasement of the SNP would come at the cost of

Labour support in the newly created Scottish Parliament.[32]

Labour's advocacy of a Welsh Assembly was similarly electorally motivated. To quote a

memo from Wilson's Cabinet Secretary, Sir Burke Trend, the creation of a Council for Wales, a

forerunner of the Welsh Assembly, was a means to "bash the nationalists."[33] As in Scotland, the

end goal was to secure Labour's control of the *national* parliament. Philip Rawkins (1985: 301)

explains,

> Plaid Cymru…became ensnared by the dominant concern of the Labour Party to
> maximize its own electoral prospects and to maintain power at Westminster. Devolution,
> except for a small band of the committed within the Labour Party in Wales and Scotland,
> was always a means to this end.

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[32] For examples, see the speech by Paul Tinnion in *Report of the Annual Conference of the Labour Party 1976:* 196
and the statements by Donald Dewar (quoted in Brown et al. 1999: 12) and Jack McConnell (Bradbury and Mitchell
2001: 258). These latter statements are supported by the findings of academic studies by Dunleavy et al. 1997.
Indeed, from 1999 to the present, the Labour Party's regional support has been consistently lower in the Scottish
Parliamentary elections (and the Welsh Assembly elections) than in Westminster elections.
[33] Quote from Settle 1999 cited in Morgan and Mungham 2000: 33.

Whereas Scotland was promised executive and legislative powers, Labour's proposed devolution of only limited executive powers to Wales reflected the mainstream party's stronger electoral position in that region. Reflecting the logic that fewer concessions should be granted to weaker opponents, the Welsh Labour Party Executive maintained that "Wales should never follow the Scots [in their form of devolution] for the simple reason that the nationalists were strong in Scotland but weak in Wales" (Morgan and Mungham 2000: 88).

While threat constituted the rationale for the Labour Party's strategic action towards the SNP and PC, why was decentralization the programmatic focus of its appeasement? It should be noted that decentralization was not a logical part of Labour's political platform when the proposals were first adopted by the party. On the contrary, Labour's philosophical preoccupation with international socialism actually precluded the encouragement of ethnoterritorial sentiment and regional autonomy.[34] Moreover, contrary to the claims of Garman et al. (2001), regional parliaments were not the designs of power-seeking Scottish and Welsh Labour elite. The proposal for Scottish constitutional reform originally came from the national Labour Party over the objections of the Scottish Labour Party. Although the Welsh Labour Party was more encouraging of a regional body in 1973 than its Scottish counterpart, the proposal for a Welsh body was nationally devised, and it faced significant opposition from prominent Welsh MPs.

Rather, the Labour Party adopted devolution as a strategic means to co-opt the supporters of the menacing ethnoterritorial parties. Surveys from the 1970s to the 1990s reveal that the defining feature of the SNP and, to a lesser extent, the PC voter across this period was his or her

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[34] See Scottish Labour Party. 1970. "The Government in Scotland." Submission to the Royal Commission on the Constitution. Quoted in Paterson 1998: 40.

prioritization of and support for greater regional autonomy.[35] Furthermore, it was one of the

only issues on which (most of) the ethnoterritorial party voters agreed.[36] With between 41% and

72% of those who voted SNP in the 1974 to 1997 elections preferring a form of devolution short

of Scottish independence (*British Election Studies*, various years), Labour's proposal to establish

a Scottish assembly was expected to satisfy a significant percentage of the ethnoterritorial party's

supporters and lead them to vote Labour.[37] Labour's proposed Welsh Assembly was also

expected to fulfill the nationalist aspirations of many PC voters; according to the 1979 Welsh

Election Study – the most recent survey in my period of analysis with a significant number of

Welsh and PC respondents – 48% of PC voters favored Labour's proposal.

Yet, to co-opt the SNP and PC voters, Labour believed that it was not going to have to

alienate its own electorate. A June 1974 Labour Party Devolution Working Group report noted

that 80% of Scottish Labour supporters were in favor of a Scottish Parliament.[38] Likewise, a

1975 Opinion Research Centre poll (reported in Mackintosh 1975: 12) found that nearly three-

quarters of Scottish survey respondents wanted more devolution in Scotland, a group much

larger than the 30% of the electorate that voted SNP. The Welsh Labour Party reported similar

support for devolution to their region. A confidential Labour Party report from July 1974 reads:

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[35] Data from the Cardiganshire survey of 1971 reported in Madgwick et al. 1973; *Scottish Election Study, 1979*; *Scottish Election Survey, 1997*; *Welsh Election Study, 1979*; *British Election Study*, various years.

[36] Analyses of survey data from the 1974 and 1979 elections reveal that the distribution of preferences of SNP voters on a range of controversial and otherwise polarizing economic and social issues, from wage control and social services to the death penalty, is similar to the spread of preferences across the Scottish electorate as a whole (Calculations from the 1974 and 1979 waves of the *Scottish Election Study, 1979*). Although the diversity of the SNP supporters' preferences did decline somewhat in the 1990s, devolution still stood out as the issue on which they were most unified (Calculations from *Scottish Election Survey, 1997*). Based on the admittedly more limited Welsh survey data, we can similarly conclude that the policy preferences of PC voters on other issues were neither as unified nor as distinctive as on devolution (Calculations from *Welsh Election Study, 1979*). Madgwick and Balsom (1974: 76) and Madgwick et al. (1973: 218) arrive at similar conclusions about PC voters.

[37] These survey findings are consistent with Labour policy makers' perceptions about SNP supporters. For instance, as noted in a December 1975 Labour Party Home Policy Committee report, "all evidence indicates that only a minority of Scots favour outright separatism (including a minority of SNP voters)." Labour Party Archives (hereafter LPA), Labour Party, Home Policy Committee, "The Political and Economic Situation in Scotland." Re: 374, Dec. 1975: 2.

[38] LPA, Labour Party, Devolution Working Group, "The Future of Scottish Government." Res 72, June 1974: 3.

"In the February [1974] election something over 70% of Welsh votes were cast for parties who favoured some form of devolution. If the concept of the mandate exists, then there must be a mandate in Wales for this policy."[39] Labour voter support for decentralization would fluctuate over the course of the next decade, first influenced negatively by dissenting Labour MPs and their vocal part in the "No" campaigns for the Scottish and Welsh referenda and then influenced positively by a united pro-devolution Labour Party. By the 1990s, an average of 82% of Scottish Labour voters and 65% of Welsh Labour voters favored the decentralization of power to his or her region with, at the minimum, the establishment of regional assemblies.[40]

Labour's anti-devolution position for the English regions in the 1970s was the product of the same national electoralist logic motivating its Scottish and Welsh decentralization policies. Speaking for the Labour government during the 1977 Parliamentary debate on the Scotland and Wales Bill, Michael Foot explained: "The Government do not propose to initiate any major constitutional change in England until there is evidence of much more extensive support for it."[41] This statement reflects the beliefs both that regionalist parties were relatively uncommon and unpopular across England as a whole and that those parties that were vocal and strong advocates for regional assemblies, namely the Cornish, were not threatening Labour's seats. Thus, devolving power to the English regions would not increase Labour's seat totals. And, worse, it would have resulted in increased electoral problems for Labour, with voter and even MP defection.[42] Cognizant of this situation, the Callaghan government employed economic concessions, rather than make any changes to the governing structure, to appease those Northern

[39] LPA, Labour Party, Devolution Working Group, "Welsh Attitudes to the Major Issues." Res 132, July 1974: 6.
[40] Calculations for the Scottish average from the *1992 British Election Study* and the *1997 Scottish Election Survey*, and for the Welsh average from the *1992 British Election Study* and the *1997 British Election Study*.
[41] Cited in Bogdanor 1999: 266.
[42] Fifty-seven percent of 1979 Labour voters in English districts (and 54% in its Northern English strongholds) supported "keeping government as it has been" as opposed to only 7% of English Labour voters (and 10% of Labour voters in Northern England) who were in favor of regional assemblies. Calculations from *British Election Study, 1979.*

Labour MPs who wanted devolution as a solution to regional inequities (Guthrie and McLean 1978: 198-9).

The topic of English regional assemblies was raised again by the Labour Party in 1995 and 1996, again in response to the threats by Northern English Labour MPs to rebel over Scottish devolution (Morgan and Mungham 2000: 40). And a bill on the decentralization of largely administrative powers to directly elected regional bodies was presented by the Labour government in 2002. Consistent with the ideas that central governments do not give away power unnecessarily and that decentralization is an electoral strategy to appease regionalist threats, the bill proposed the creation of assemblies in only certain regions – specifically, Labour strongholds of the North – and only if there was sufficient public demand for the initiative.[43] According to commentators, Labour's proposal for England reflected its recognition that "regional assemblies might become alternative power bases" (Morgan and Mungham 2000: 41), and thus, Labour should not incur the costs of decentralization unless it carried with it tangible *national* electoral benefits. The failure of a 2004 referendum on devolution in the most pro-devolution region, the North East, led to the withdrawal of the entire policy and the maintenance of the centralized English governmental structure.

The Timing of Decentralization

As the above analyses indicate, asymmetrical decentralization across Britain was the Labour Party's attempt to appease pro-devolution voters and thereby undermine threatening

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[43] Referenda on the creation of regional assemblies were initially planned for three regions: the North East, the North West, and Yorkshire and the Humber. While Labour's Governmental Task forces pointed out that there was significant demand for decentralization to warrant assemblies and referenda in each of these regions, these were not the only areas pushing for decentralization, as indicated by scholars and MPs (see the discussion about Cornwall by Andrew George MP in the House of Commons debate, 15 May 2002; Sandford 2006). Rather, consistent with my theory, referenda were proposed just for Labour's heartland.

ethnoterritorial party challengers in Westminster elections. Consistent with this claim, the

Labour Party adopted devolution towards Scotland and Wales as official party policies in 1974,

when the SNP and PC threats were at their height. But the Scottish Parliament and Welsh

Assembly were not created until 1998.[44] If decentralization was an appeasement strategy, how

do we account for the delay in policy implementation? To return to a question opening this

study, why the 1990s and not the 1970s?

My theory of decentralization as institutional appeasement provides some answers.

Political parties determine the timing of their strategic response based on the degree of electoral

threat posed by their challenger. However, parties are not always capable of reacting in a timely

manner. The *when* of issue implementation is subject to the internal organization constraints of

the strategizing party. Just as a party's ability to adopt a policy position, especially one costly to

the subnational elite, can be hindered by insufficient national leadership autonomy in policy-

making, its subsequent execution of that plan can be undermined by the lack of party discipline

and the rival centers of political power that can flourish in a decentralized party organization.

Consistent with this explanation, the Labour Party in the 1970s was plagued by internal

factionalism over the issue of regional decentralization and an organizational inability to reign in

or silence dissenting voices within its ranks. Resistance by some Labour Party MPs and Party

members to decentralization became apparent as of the release of the 1974 White Paper

"Democracy and Devolution: Proposals for Scotland and Wales." Many Labour MPs from

England and even Wales and Scotland objected to devolution on the grounds that it would create

too much government, only serve to transfer central decision making from London to Edinburgh

(and, to a lesser extent, Cardiff), and establish an impotent talking-shop (Whale 1975).

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[44] Contrary to Heller's (2002) expectations, the decentralization policies were not implemented when there was a minority Labour government, but only when the Labour government had a strong majority of the parliamentary seats.

Unlike a centralized party, Labour lacked the tools to enforce a unified front, either at the legislative stage or in the public arena during the campaigns for the referenda on the Scottish and Welsh assemblies. In the 1970s, control over parliamentary candidate selection and reselection was largely the purview of the local Labour parties.[45] This not only meant that MPs had greater incentives to follow the preferences of their constituency parties than those of the national party leadership, but also that the party leadership in London had little power to ensure an initial selection of MPs sympathetic to its policy stances. Further exacerbating differences between the constituency parties and the national leadership, the party rule preventing members of extremist organizations (largely the Trotskyists) from affiliating with the party was eliminated in the 1970s (Seyd 1993: 90). The joint effect of these factors was that constituencies were more likely to nominate candidates with policy preferences at odds with the more-rightist national leadership, and that the national leadership could not assume or command discipline from its Members of Parliament.

It is no surprise, then, that there was considerable defection in general among Labour MPs during the Wilson and Callaghan governments. The number of anti-party ballots cast by Labour MPs during the 1974-79 parliament was higher than in any other Labour government since World War II (Cowley 1999a: 158; Cowley and Stuart 2001: 248). And on twenty-four votes, Labour's Wilson and Callaghan governments were defeated because of defections by Labour MPs.[46]

The ramifications of weak party control of its MPs were also seen in votes on Labour's devolution bills. Where a sizeable number of subnational elite and party members were opposed

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[45] As summarized in Gaines and Garrett (1993: 117), "In the 1970s, a sitting Member could have been denied reselection by the district's constituency party, subject to the approval of the National Executive Committee (NEC) of the Labour Party. The NEC, however, did not frequently interfere in the decisions of the constituency parties."
[46] Gaines and Garrett (1993: 121) calculate this number on the basis of Labour MPs who voted against the government or abstained.

to devolution, as was the case in England and Wales and to a lesser extent in Scotland, MPs had

incentives or at least no disincentives to defect from the national party's line (Gaines and Garrett

1993: 119). Between 1974 and 1979, there were 78 devolution votes on which Labour MPs

voted against the government (Norton 1980: 429).[47] Moreover, 13 of the 24 Labour votes that

were defeated purely because of Labour MP defection concerned Scottish and Welsh devolution.

Contributing to this lack of discipline was the fact that a significant percentage of MPs involved

in these defections heralded from the extremist-left segment of the party.[48] As noted above, the

national Labour Party had little power to object to or de-select dissenting MPs. Indeed, perhaps

because of the widespread nature of internal party dissent in an increasingly minority Labour

government, disloyal Labour members were not censured for their dissension.[49]

Whereas the national leadership of the Labour Party was able to adopt a devolution

policy for Scotland and Wales over the objections of subnational elite and Labour backbenchers

because of its considerable independence over policy setting, especially prior to 1975 (Janda

1980; Harmel and Janda 2001),[50] its ability to then *implement* devolution bills was not immune

to the aforementioned opposition of its members. The Wilson and Callaghan governments of

1974 to 1979 lacked strong majorities or even any majority at all during the debates over the

devolution bills. Even short of voting against the specific bills, anti-devolution Labour MPs

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[47] The actual number of anti-devolution dissensions is somewhat lower, because, as Norton (1980: 429 n16) notes, "on occasion the votes [were] being cast by pro rather than anti-devolutionists."

[48] For instance, in the case of the anti-government Cunningham amendment to make passage of the Scotland Bill dependent on a "yes" vote on the Scottish Referendum by at least 40% of registered voters, 43% of those Labour MPs voting against the government whip were members of the leftist Tribune Group (Norton 1980: 434), a group whose membership increased significantly across the 1970s, no doubt helped by the repeal of the extremist association injunction.

[49] Following the 1979 Referendum, Gordon Brown is quoted as calling for "no rancour, no recrimination and no bloodletting" with regard to his dissenting Labour colleagues (quoted in McLean 1992: 38).

[50] Labour's first commitment to Scottish and Welsh devolution in the late 1960s, as embodied in the establishment of the Kilbrandon Commission, was made by the Home Secretary with the assent of the Prime Minister, but without the consideration of the Cabinet, let alone the Labour Party Conference (Dalyell 1977: 81). Labour's adoption of a Scottish Assembly proposal in 1974 was not discussed during Labour's annual conference and was made despite the objections of the Scottish Labour Party Executive.

frustrated decentralization by erecting barriers to its achievement. The most notorious example

was Labour MPs' sponsorship and support of an amendment (known as the Cunningham

amendment) requiring a supermajority for the passage of the Scottish referendum.[51] The

combination of Labour opposition was lethal to Labour's devolution bills. As summarized by

Norton (1980: 429-30):

> Had a number of Labour Members not opposed the Government, the Scotland and Wales
> Bill would have been guillotined (and presumably passed), there would have been no
> referendums in Scotland and Wales with a requirement for a 'Yes' vote by forty percent
> of eligible voters, and presumably there would now be Assemblies in Scotland and
> Wales.[52]

Combine these legislative actions of the dissenters with their active public campaign against the

government's referenda for Scottish and Welsh assemblies, and it is clear that elite factionalism

in a party lacking national control of its members served to effectively hinder the implementation

of decentralization.

What changes made the execution of a similar policy possible in the 1990s? The

organizational characteristics of the Labour Party once again prove critical to understanding the

outcome of Labour's devolution efforts. The Labour Party that secured the passage of the 1998

Scotland and Wales Acts and presided over the creation of a Scottish Parliament and Welsh

Assembly was a more centralized organization with stronger disciplinary powers and control

over its MPs than its predecessor. Two changes were critical to this transformation. First, a

series of reforms in 1987 and 1993 removed control over parliamentary candidate selection and

reselection from the local parties and divided it between the unions and average party members

(Shaw 1996; Seyd 1993: 86). As acknowledged by then-party leaders Kinnock and Smith, these

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[51] The amendment stipulated that if the Scottish Referendum did not gain the support of at least 40% of the
registered electorate – roughly equivalent to 60% of voters based on average turnout – then the Labour Government
was required to submit an "Order for the repeal of the Act" to Parliament. McLean 1992: 29.

[52] Twenty-two Labour MPs voted against the guillotine, or time-tabling motion presented by the Labour government
in February 1977; an additional twenty-one Labour MPs abstained.

changes were enacted explicitly to reduce MP dependence on local constituency parties and their

extremist activists, thereby strengthening the influence and power of the national leadership

(Seyd 1993: 86, 91). This increase in incentives for Labour MPs to follow the national party's

policy positions was combined with overt demands for cohesion by the national party leadership.

In 1996, when the party was led by Tony Blair, Labour MPs were warned by the Shadow Chief

Whip not to broadcast their disagreements with the Labour Party leadership to the public

(Richards 1996). Similar warnings were issued by Blair himself following the formation of the

Labour government in 1997 (Cowley 1999b).

Second, further raising MP incentives to follow national Labour Party policy positions,

the disciplinary power of the party leader and the NEC was enhanced by the late 1980s, to

"simplify and hasten the process" (Harmel and Janda 2001). Specifically, the rule against

membership by extremists, repealed in the 1970s, was reinstated and strengthened. To quote

Seyd (1993: 91):

> The boundaries of membership were now defined in such a way as to exclude not only
> known Trotskyists but also anyone deemed to be involved in conduct 'prejudicial to the
> party'. This new rule gave the NEC wide enough powers to control any activities it
> pleased.

The rule was used to regulate – refuse or remove – both rank-and-file party members and elected

officials. Not only was this organizational reform useful for reducing dissension among existing

Labour MPs, but it also increased the likelihood that candidates sympathetic to the national party

leadership would be selected in the first place.

The behavior of Labour MPs in the 1990s was consistent with the anticipated effects of

these organizational changes. Even after Labour entered government with a strong majority and

there was less of a legislative need for Labour MPs to toe the party line, there was a high level of

party cohesion. In the first session of the 1997 parliament, there were only 16 instances of MP

rebellion, as opposed to 54 in the first session of the October 1974 parliament (Cowley and Stuart 2003: 188). As expected based on the changes in parliamentary candidate eligibility and selection rules, the MPs elected after the party reforms of the early 1990s were "less rebellious than those with prior service" (Cowley 1999a: 162).

While the size and intensity of opposition to devolution in Scotland and Wales had declined on the whole since the 1970s – largely as a reaction to the anti-regionalist policies of twenty years of successive Conservative governments[53] – opposition was not completely obliterated. Anti-devolution positions were still maintained by a few Labour MPs, including the rare Scottish MP (e.g., Tam Dalyell) and several Welsh MPs (e.g., Llew Smith, Alan Williams, Kim Howells and Allan Rogers). The organizational changes to the Labour Party, however, ensured that legislative displays of the MPs' opposition were limited. Longtime Labour MPs – whether pro- or anti-devolution – refrained from directly and openly criticizing the party leadership and its devolution policy for fear of falling victim to disciplinary measures (Brown et al. 1999: 34; Morgan and Mungham 2000: 112). Once Labour was in government, "[e]xtraordinarily high levels of Labour backbench cohesion" ensured a relatively unified Labour front during the 1997 referendum campaigns and 1998 parliamentary debates (Cowley and Stuart 2001: 247). While there was more active and enthusiastic support for the "Yes" Campaign by Scottish than Welsh Labour MPs,[54] neither Scottish nor Welsh Labour MPs organized and led formal campaigns against the Scottish and Welsh referenda or proposed amendments to undermine the government's bills, as they had in the 1970s. Indeed, as a sign of the new-found

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[53] Moreover, there was a perceived democratic deficit in Scotland, Wales and Northern England, as the Tories were repeatedly re-elected despite the fact that Labour was repeatedly voted the majority party in these regions.
[54] A larger percentage of Welsh than Scottish Labour MPs remained silent during the 1997 Referendum campaign. Based on the identity of these politicians, it has been suggested that they were passive so as not to speak against the devolution proposal (Morgan and Mungham 2000: 112-3). There were also several Labour MPs in Wales who vocalized their opposition to Labour's devolution plans. Their anti-party actions were met with demands for their censure from elite within the Labour Party. There were reports at the time, albeit never officially confirmed, that sanctions were levied against some of them (McAllister 1998: 159).

party discipline, during the entire debate on the 1998 Scotland and Wales Acts, only one Labour

MP countrywide cast a dissenting vote against the government (Cowley 1999b).[55] Given that

not all Labour anti-devolutionists in Scotland and Wales or in the country as a whole were

convinced of the merits of the asymmetrical decentralization plans, it is clear that changes to the

party's organizational structure were critical to the near unanimous Labour MP parliamentary

support of the government's devolution appeasement strategy.

Conclusion

That governing parties would voluntarily choose to reduce their political and fiscal

competencies is a puzzle for a literature that typically views the maximization of power as the

critical, if not the only, goal of political actors. Previous work has tried to address this dilemma

by viewing decentralization as a tool to boost efficiency, to hold together a divided state, to

increase party support at the subnational level, or to strengthen the power of dominant

subnational elite. For these scholars, decentralization is simply a means.

This paper, on the other hand, recognizes that decentralization is also an *end*, a specific

policy goal desired by voters. Based on this perspective, I provide a new answer to the puzzle of

why parties decentralize: a party advocates decentralization to appease the pro-decentralization

voters of threatening ethnoterritorial parties, and thereby boost its own support at the national

level. Decentralization is the institutional manifestation of a vote-seeking Downsian policy

convergence strategy.

An analysis of the decentralization policies pursued in Great Britain illustrates the power

of my appeasement story. Faced with ethnoterritorial party threats to its support in its heartlands

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[55] Labour MP Dennis Canavan voted against the Labour government on an amendment to the Scotland Bill. A second Scottish Labour MP – John McAllion – abstained on this amendment. Denver et al. 2000: 190.

and, in turn, to its control of the national government, the Labour Party advocated decentralization schemes to attract like-minded SNP and PC voters. The degree of devolution promised to each region reflected the degree of electoral threat experienced by the mainstream party. No significant decentralization plan was pursued where regionalist demands were limited or did not threaten a party's national standing, as was the case in Northern England for the Labour Party and in Scotland, Wales and England for the Conservatives. With the costs of decentralization concentrated at the subnational level, the timing of the British decentralization reforms depended on the Labour Party's organizational structure. Thus, even though Labour initially proposed devolution during the 1970s, widespread elite factionalism and a paucity of national party disciplinary control prevented the Scottish Parliament and Welsh Assembly from being created until after the organizational reform of the Labour Party in the late 1980s and early 1990s.

The implications of this theory of decentralization as an institutional strategy of appeasement extend beyond party competition with ethnoterritorial parties and beyond the specific cases of asymmetrical decentralization in Great Britain. Support for this article's argument can be found in the use of decentralizing reforms to appease ethnoterritorial parties in other multinational countries, like Belgium, France, Spain and Canada. While parties representing cultural and ethnic groups are the most obvious advocates of regional autonomy, they are not the sole promoters. It follows that decentralization can be a tool in any political system where a threatening opponent and its voters demand greater local or regional control over policy-making or taxation, or simply want governmental power to lie closer to the people. Thus we also can see evidence of this appeasement tactic in mainstream party competition with left-

libertarian parties, states' rights parties and party factions, such as the US Southern Democrats, and populist parties, like the Reform Party in Canada.

This paper has challenged the standard institutions-as-means perspective of the decentralization and devolution literature and, in the process, demonstrated the utility of institutional reform as a party strategy to capture pro-decentralization voters. Recognition of the programmatic dimension of decentralization strategies also allows us to understand why parties create institutions in which they anticipate losing voters. As discussed in the British case, Labour Party elite adopted decentralization despite the knowledge that it would disadvantage their candidates at the subnational level, because their objective was national governmental control. This insight suggests that there could be value in re-examining other cases of supposed actor irrationality. It may not be that those parties, governments, or voters have misunderstood their own interests or poorly assessed the costs of their actions; just as this analysis reveals the transfer of power to the subnational level to be a *national-level* strategy, it may be that those other actors are facing trade-offs and that their behavior reflects a different and less obvious set of objectives.

Table 1: General Election Results for Ethnoterritorial Parties in Great Britain
(as % of vote)

	Scotland	Wales	England		
General Election	**SNP**	**Plaid Cymru**	**Cornish Parties [a]**	**Wessex Regionalist**	**Vectis**
1970	11.4	11.5	2.0	--	2.8
Feb 1974	21.9	10.7	1.5	0.9	--
Oct 1974	30.4	10.8	0.7	--	--
1979	17.3	8.1	2.1	0.7	--
1983	11.8	7.8	1.0	0.3	--
1987	14.0	7.3	--	--	--
1992	21.5	8.8	--	--	--
1997	22.1	9.9	0.8	--	--

Notes: -- indicates that the party did not run any candidates. [a] These include Mebyon Kernow and the Cornish National Party.
The SNP and PC vote percentages are reported as percentage of vote in the region, as is standard in the literature. In the two elections in which the SNP did not run a full slate of Scottish candidates, its vote share across contested constituencies was 12.05% (1970) and 22.07% (Feb 1974). The PC contested all Welsh constituencies each election during this period. The English parties' vote percentages are based on the total votes cast in the constituencies they contested because of the ill-defined nature of their "natural" regions and the fact that they ran in so few districts.
Sources: Butler and Butler 2000; Craig 1975; Outlaw 2005.

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