**Title:**

**Intergovernmental Councils in Spain: challenges and opportunities in a changing political context**

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***Abstract:***

This paper reviews the most important characteristics and of the Spanish Intergovernmental Councils (ICs) and theorizes about the effect of the increasing fragmentation of the party system on the nature and dynamics of multilateral bargaining in ICs. The essential argument is that party system fragmentation may have an impact on ICs through its effect on the formation of minority and coalition governments. These types of governments may put an end to the two-bloc confrontation, bring to the system higher levels of party congruence between levels of government and lower the costs of compromise, three factors that may help to grease the bargaining process and, in turn, enhance the achievement of intergovernmental cooperation agreements. The positive effect will be conditional on several factors, namely the ideological coherence of inter-party alliances, the predominant type of government in the system (coalition or single-party minority) and the duration of governments.

Keywords: Intergovernmental relations, Spain, Intergovernmental Councils

**1. Introduction**

The literature on comparative federalism has shown that the division of competences in federal states is a far cry from the neat distribution of powers envisaged by the Founding Fathers in the Federalist Papers (Rodden, 2006). Certainly, modern federal states are characterised by a highly intertwined distribution of governmental authority between the center and the subnational units, so one of the defining features of federal realities is the predominance of shared authority between levels of government (Beramendi and León, 2015:211). This characteristic turns intergovernmental relations into a critical feature of multilevel structures, as they play a crucial role in greasing the wheels of decentralised governance (Agranoff, 2004), preventing the overlapping of functions, negative spill-over effects across territories and blockages in decision-making processes.

As in many other institutional dimensions, federal states are not uniform in the way intergovernmental relations work and are organised. Variation spans from the strong fragmentation of IGR in the USA (O'Toole, 1996) and the highly institutionalised intergovernmental arrangements in Switzerland (Bolleyer 2009), to the ad hoc coordination between ministries in Canada and Spain (Poirier et al., 2015, Grau i Creus, 2000, Cameron and Simeon, 2002, Börzel, 2000). Although this variation on IGR across federal realities can be partially accounted for by looking at certain constitutional characteristics, such as the formal distribution of competences between levels of government (Bolleyer et al., 2014, Swenden, 2006), constitutional rules can only provide a partial explanation to the understanding of IGR dynamics, which show a more varying pattern over time, across policy areas as well as across constituent units than constitutional rules do.

This paper purports to provide new theoretical insights into the role of institutional factors in intergovernmental cooperation dynamics by exploring the relationship between party system and IGR. In doing so, the paper aims to make a contribution to recent developments in the literature of federalism that recognise the importance of the structure of governments as well as the organizational features of parties and party systems to understand variation among federal realities (Bolleyer, 2009, Benz and Broschek, 2013). The analysis of party systems and intergovernmental relations is based on the Spanish case, a country in which party politics have traditionally had a very important role on IGR. Since 2015 the Spanish party system at the national and regional level has experienced a profound transformation, reflected in a significant increase in the number of effective parties in national and regional parliaments. Those changes prompt a theoretical discussion developed at the end of the paper as an inductive exercise on the relationship between party system fragmentation, the structure of government and its potential effects on the achievement of intergovernmental agreements. In a more fragmented political scenario political bargaining between the central governments and regional executives may generally become more difficult when the number of actors and represented interests increase. However, I hypothesize a set of potential mechanisms and conditions whereby higher fragmentation of the Spanish party system may have a positive impact on intergovernmental bargaining and, by extension, on intergovernmental cooperation.

The paper is organised as follows. The next section introduces a discussion on the role of party systems in the literature on comparative federalism. Section 3 describes the most important characteristics of Spanish Intergovernmental Councils (IGCs) and section 4 discusses the most important drivers of cooperative agreements in these bodies. Section 5 provides a brief overview of the most relevant changes in the party system since 2015 and introduces a set of theoretical arguments on the effects of higher levels of party system fragmentation on intergovernmental relations. Section 6 summaries and points to future research avenues.

**2. Party systems, party congruence and intergovernmental relations**

The role of parties and party systems has traditionally been superficially addressed in the literature on federalism. With some exceptions based on American federalism (Wechsler, 1954, Riker, 1964), the most prominent comparativists in the area have not considered party systems as part of the critical credentials of federal realities (Watts, 1999). Since the mid-1990s, however, several scholars have resumed Riker’s seminal classic[[1]](#endnote-1) to provide a better understanding of the role of party systems in federal dynamics, including the nature of intergovernmental relations. An important variable in shaping the relationship between party-politics and intergovernmental dynamics is party congruence between the center and the subnational units. The motivation of interaction among the center and the units may depend on the degree of congruence of interests and preferences among them and party affiliation may be one of the most important drivers of congruence between the federal government and subnational units (Behnke and Mueller, this issue). As Poirier and Saunders (2014:450-451) state, party politics have a determinative impact on institutions and processes of IGR, and in countries where the same parties are active in both the federal and the constituent units, *“links along partisan lines can circumvent formal institutions”*. But this statement is not new. One of the first scholars to explore empirically the role of this variable in intergovernmental relations were Riker and Schaps (1957), who concluded that intergovernmental conflict was more prevalent the higher the level of “partisan disharmony” (the term with which they defined party incongruence) between levels of government. Subsequent works have contributed to advance Riker and Schaps’ findings by providing a more nuanced theoretical and empirical account on the conditions that moderate the role of party in(congruence) in intergovernmental relations and, more generally, in the stability of the federation (Filippov et al., 2004).

The role of party in(congruence) in intergovernmental relations may depend on party system integration. When party systems are highly integrated and partisan congruence is high, the chief federal executive is more capable to command intergovernmental relations and impose macroeconomic reforms or fiscal discipline onto their subnational copartisans (Wibbels, 2005, Garman et al., 2001, Jones et al., 2000, Rodden, 2002, Rodden, 2006). On the contrary, where parties are not so integrated, partisan congruence is not expected to have a major role in intergovernmental relations (Poirier and Saunders 2014: 451).

The mechanism whereby party system integration enhances intergovernmental cooperation has to do with electoral interdependences between national and subnational copartisans. In integrated party systems, federal and state copartisans’ electoral fortunes are highly intertwined, meaning that the electoral fates of subnational politicians are driven by the value of the national party label (Thorlakson, 2007, Rodden, 2006, Thorlakson, 2016). In this context, subnational politicians will be loath to undermine the national party label because their opportunistic behaviour may ultimately damage their own subsequent electoral chances. So when defection is costly, subnational politicians will be more willing to cooperate and coordinate with their national copartisans and it will be easier for the federal chief executive to pursue a cohesive policy agenda that transcends subnational divisions. For some scholars, party integration may ultimately enhance the stability of the federation (Rodden 2006:121; Filippov et al. 2004: 192). However, other scholars have a less optimistic view of the role of party system integration. For instance, based on the study of the German case, Arthur Benz states that a vertically integrated party system “has turned into a burden for federal–Länder negotiations” (2008: 451). Bolleyer also criticises that partisan congruence divides subnational units along partisan lines, and that may make it easier for the federal government to impose its policies on lower level units “even if the latters’ competences are affected and lower level governments in principle oppose such action” (2009:3).

Following a logic based on the cost-benefit calculus of actors, Bolleyer, Swenden and McEwen (2014) hypothesize that it is the constitutional make-up of the system that moderates the role of party (in)congruence in multilevel cooperation. Where subnational units are constitutionally weaker, the role of party (in)congruence in intergovernmental relations will be limited, as units are expected to opt for an overall cooperative strategy. By contrast, where the centre and subnational units have a similar constitutional status, partisan differences will have a significant effect on multilevel cooperation because neither level will expect intergovernmental conflict to threaten their status in the system (2014: 373).

Similarly to the studies reviewed above, in Bolleyer’s book (2009) the role of “politics” is also theorized as the critical variable in explaining intergovernmental relations in Canada, Switzerland and the USA, but in her analysis the focus is on horizontal coordination, and individual government units’ readiness (or disinclination) to engage in cooperation depends on the political dynamics *within* subnational governments. Her fundamental hypothesis is that coordination among subnational units will be more likely in power-sharing governments (i.e. coalition governments) than in power-concentrating ones because the former ensure longer term interaction among political parties and there is higher ideological congruence across subnational units. Similarly, Bolleyer expects the loss of autonomy that cooperation involves to be relatively lower for parties that form part of a coalition government and that are more used to compromise than for actors that rule single-party governments (2009: 6 ff.).

In essence, the theories reviewed above show that the structure of party systems in federal countries defines different aspects of party competition that in turn affect intergovernmental relations. It does so by defining the set of political gains and costs that subnational politicians reap from intergovernmental cooperation (for instance by defining electoral interdependences between levels of government) or certain institutional conditions (such as the types of government that will be formed at the subnational level) . Following this approach, this paper purports to advance the literature by exploring the role of party system fragmentation in intergovernmental relations. More specifically, it provides a theoretical reflection on the effects that the transformation of the Spanish party system since 2015 may have in the operation of Intergovernmental Councils in Spain.

**3. Intergovernmental Councils in Spain: the Sectorial Conferences**

In the aftermath of the democratic transition, the Spanish Constitution (1978) established a devolution system based on choice or voluntariness (*a la carta*), whereby the decision to become Autonomous Communities (ACs) was left to the territorial units. Instead of providing a detailed regulation of what the “State of Autonomies” would be (a decision that would have jeopardised the necessary ambiguity to make the constitutional agreement possible), the constitution regulated the different legal paths through which regions could access autonomy (Aja, 2014, Aja, 2003)[[2]](#endnote-2). Therefore devolution started and then developed asymmetrically, but since the early 1990s ongoing decentralization has resulted in increasing homogeneisation of regional competences through the development of the regional Statutes of Autonomy. At present, ACs’ expenditure powers are virtually the same across regions and represent around a third of total expenditures. The only significant asymmetry remaining in the system is regional financing, as the Basque Country and Navarre enjoy full taxation autonomy (León, 2015).

Although decentralization of tax and expenditure powers has travelled fast in Spain (Hooghe et al., 2010), the regulation of the mechanisms of cooperation between the ACs and the central government has traditionally lagged behind. On the one hand, the constitution remained silent on mechanisms of vertical cooperation, and where regulation was provided it was meant to set up controls of the central parliament over horizontal cooperation[[3]](#endnote-3). On the other hand, politicians have been generally more concerned with the specific division of powers than with the establishment of bi- or multilateral cooperation mechanisms between different levels of government (Pérez Medina, 2009). Generally, IGRs have become increasingly institutionalised, but they have shown high dependence on political dynamics – essentially party competition between the central government and regional governments – as well as on the willingness of political actors to make cooperation work(Aja and Colino, 2014, Colino Cámara et al., 2009, León and Ferrín Pereira, 2011). The constitutional text, however, did regulate central governments’ competences of coordination on three areas: economic planning, research, and health care. In these areas the central government has to set up the general principles.

The most widely used mechanism for multilateral cooperation in the States of Autonomies are the Intergovernmental Councils known as *Sectorial Conferences*, which are formed by the national minister of a particular policy area and the 17 representatives from the ACs (usually the regional ministers of the corresponding area). Although they were institutionalized in 1983, it was not until 1992 that SCs were given a systematic regulatory framework. According to the data provided by the Ministry of Finance and Public Administration, at present there exist 44 Sectorial Conferences, but only few of them have met regularly in recent years (García Morales and Arbós, 2015: 359, Alda and Ramos Gallarín, 2010) and they exhibit varying degrees of institutionalisation. The most developed ones have second-level bodies that play a fundamental role in the preparation of the meetings and in dealing with more technical decisions. Table 1 shows the number of SCs meetings by legislature.

[FIGURE 1 ABOUT HERE]

As in Germany (see Hegele and Behnke, this issue) or Canada, Spanish SCs are consultative and based on voluntary cooperation, so the agreements are only binding for the regional governments that sign them and decisions are generally adopted unanimously (González Gómez, 2006:102, de la Peña Varona et al., 2015)[[4]](#endnote-4). The central government has a clear dominant position in SCs, as the Minister convenes the Conference, sets the agenda and chairs the meeting. But what do SCs do? One of the most important functions of SCs is to host the discussions on some of the “basic” central laws, before their enactment, that will have to be subsequently developed by regional laws. Legislative cooperation in the SCs helps the central government to prevent subsequent legal conflicts with regional governments when the latter have to complement central government’s basic legislation, as ACs often file constitutional conflicts before the Constitutional court arguing that the central basic regulation encroaches upon their legislative powers. In addition, vertical legislative cooperation also enhances shared-rule[[5]](#endnote-5) as it allows regional governments to participate in central government legislation, which is generally very limited due to the weak role that the Spanish Senate plays in the decision making process at the central level.

SCs have also a very important role in policy areas strongly connected to the European Union, as they channel the participation of the ACs in the transposition of European directives and serve to decide joint positions that will be formally defended by the Spanish government at European institutions[[6]](#endnote-6). In addition, many of the decisions taken at the SCs have to do with the establishment of funding regimes (*convenios*), which are used to allocate central conditional funds between the regions according to the criteria agreed to in the SCs (Pérez Medina, 2009:30 and ff., Aja and Colino, 2014: 450). Most projects are co-funded, so regional governments have to supplement central government’s funding with additional contributions. These vertical, legally-binding funding agreements are simple and flexible cooperation instruments (they are mere contracts signed by the respective governments) that serve a multiplicity of goals, which explains that around 1.000 are signed every year (García Morales, 2008:50). Although they are signed bilaterally, the contents are generally identical across regions (Colino Cámara et al. 2009). As far as horizontal funding agreements are concerned (agreements between two or more ACs), the number of agreements signed only by ACs has been traditionally very limited, although it has increased in recent years (García Morales, 2008, Colino Cámara, 2011).

Finally, in 1999 the law that regulates the SCs was reformed and introduced a new instrument of vertical collaboration, namely joint plans and programmes. These instruments of cooperation involve the development and financing of a plan or programme in areas where the central administration and regional governments share responsibilities and have common objectives (Colino Cámara et al., 2009: 58, Alda, 2006: 134). Joint plans and programmes had existed since the early stages of the creation of the State of Autonomies, but it is in 1999 when a law regulated that the content and evaluation of joint plans and programmes would correspond to Sectorial Conferences.

As described above, the intergovernmental relations that take place at the SCs are representative of the vertical “executive-type” model of devolution, where multilateral IGR are dominated by central and regional executive powers[[7]](#endnote-7). Similar to the Canadian and Australian case, the central Minister has a predominant role as s(h)e convenes, chairs the meetings and decides the agenda items (although they can be amended by the regional governments). There are no formal horizontal sectorial conferences, although there have been some recent attempts to enhance cooperation among ACs. For instance, in 2008 some regional governments decided to convene several meetings of regional premiers without the central government, which resulted in the institutionalisation of a Conference on Regional Governments (*Conferencia de los Gobiernos de las Comunidades Autónomas*) in October 2010. In addition, there are informal cooperation XXX (see (Colino Cámara, 2011)

The predominance of the executive-type federalism in intergovernmental relations is in part the result of having weak shared-rule. The weak role of the legislative power in intergovernmental relations is also reflected in that parliamentary scrutiny over bargaining in the Sectorial Conferences is very limited. There is no requirement of regional parliamentary approval of IGR agreements and, with the exception of Catalonia, there are no formal parliamentary supervision bodies at the regional level that are responsible for tracking agreements with the central government (McEwen et al., 2015, Aja and Colino, 2014: 457). Besides, there is very limited coordination on IGR within regional governments because it is too sectorialised, meaning that each department develops its own agreements with the central government independent from other departments. The alternative route for regional parliaments to check on intergovernmental agreements would be the Senate, but, as it was explained above, it is a weak chamber with limited representation of territorial interests and limited role in IGR. As a result, IGR operate mainly through political parties and when there are jurisdictional conflicts between the central and the regional governments, IGCs have traditionally played a minor role in solving intergovernmental conflict, which usually ends up being resolved through judicial review (the Constitutional Court).

Finally, bilateralism has traditionally played a prominent role in greasing vertical intergovernmental cooperation. In the early stages of the decentralisation process the authority given to subnational governments was negotiated bilaterally by each region and the central government in bilateral commissions (known as mixed parity commissions) in which central and regional representatives had to decide on the specific duties, material and human resources to be transferred to ACs. These mixed parity commissions did not disappear after initial transfers were completed (Aja 2014: 210 and ff.). They have been essential, for instance, in the regulation of regional financing, because any multilateral agreement on regional financing that is approved at the Fiscal and Financing Policy Council (*Consejo de Política Fiscal y Financiera*) has to be ratified bilaterally, that is, outside the FFPC (León-Alfonso, 2007). In addition, since the year 2000, bilateral commissions have been assigned a role in preventing jurisdictional conflicts between the central government and ACs, seeking to reduce the level of jurisdictional conflict brought to the Constitutional Court by the central government or the regional governments[[8]](#endnote-8).

**4. Explaining cooperation in Sectorial Conferences**

According to recent contributions in the area (León and Ferrín Pereira, 2011, Colino Cámara et al., 2009, Alda and Ramos Gallarín, 2010, López Nieto, 2006), intergovernmental bargaining in Sectorial Conferences works best and is more likely to result in cooperation agreements where technical bodies have a prominent role, such as secretariats or working committees. Secretariats facilitate the preparation of IGR meetings and the implementation of decisions. And in second-level bodies (usually set up to discuss more technical or specific issues) discussion is less permeable to political pressure and confrontation because participants are civil servants or chiefs of regional departments or central ministerial offices who are usually civil servants (Pérez Medina 2009: 326) with a more technical (less political) profile (León and Ferrín Pereira, 2011). The level of institutionalization of the SC is actually endogenous to the extent of interdependence between the central and regional governments, as in less intertwined policy areas incentives to cooperate are lower (González Gómez, 2006:113).

Second, cooperation agreements in Sectorial Conferences are more likely to be achieved where there is an economic stimulus (García Morales and Arbós, 2015:366, González Gómez, 2006:112). As explained above, a prominent role of SCs is to decide about the criteria of distribution of central governments’ funds. Cooperation is more likely when agreements involve funds because it is a “win-win” scenario for everyone: regional governments have an interest in increasing the amount of resources devoted to crucial policies such as employment, social policy or education. And cooperation strengthens central government’s *spending power* (Watts 1999), as it allows the central administration to condition ACs’ activities in a certain policy area through funding regimes (*convenios*) (Colino Cámara et al., 2009: 59).

Third, Europeanization has also had a positive impact on cooperation in SCs (Börzel, 2000), as it works better in policy areas that are more closely related to the European Union. One reason why this is so is that central and regional governments are highly interdependent in those areas, so none of them can act alone without the other at the European level. In addition, the decision-making process at the European level is tightly scheduled, which urges national governments to reach an internal agreement before defending their position in the European Union (León and Ferrín 2001). Bargaining processes at the European level are highly institutionalised and regulated, which forces central and regional governments to meet frequently. Repetition of bargaining enforces trust among governments and facilitates agreement in the SCs.

Finally, party politics has been probably the most important driver of intergovernmental relations (Alda and Ramos Gallarín, 2010, Colino Cámara et al., 2009, León and Ferrín Pereira, 2011, González Gómez and López Nieto, 2006). The role of political parties in vertical cooperation has been a double-edged sword: on the one hand, the two large state-wide parties (PSOE and PP) have traditionally enhanced cooperation by integrating divergent interests among regions and coordinating the position of their affiliated regions (i.e. ruled by the state-wide party) in party meetings that are usually convened before the Sectorial Conference meeting. The same partisan dynamics dominate intergovernmental relations in other countries; for the German case (see for example Lhotta and von Blumenthal (2015) and Auel (2014)). On the other hand, however, periods of interparty confrontation between central government and the most important party in opposition have represented a significant obstacle to reaching agreements in Sectorial Conferences. In that context regional governments ruled by the main opposition party would systematically oppose any initiative from central government (Alda and Ramos Gallarín, 2010 , Colino Cámara et al., 2009: 36). As a result, SCs dynamics end up reproducing the relationship between government and opposition parties in the lower house. Party discipline is the channel through which party confrontation takes place, as it ensures that regional affiliated governments follow the national party line in the Sectorial Conference. Given these dynamics, agreements over policy issues with strong ideological roots are particularly difficult to achieve.

**5. Change in the party system and its consequences**

In 2015, the Spanish party system experienced a profound transformation. Both the regional and the general election that took place that year produced the most divided national and regional parliaments since the country’s transition to democracy. As it can be seen in Table 1, in eight out of the thirteen Autonomous Communities with elections in 2015 or 2016 majoritarian governments were replaced by coalition or minority governments (shadowed in Table 1). Changes in the type of government are directly connected to variation in the number of effective parties in regional parliaments, which in 2015 increased to 4,9[[9]](#endnote-9) up from 3,3. Although party fragmentation at the regional has been relatively high (López Nieto, 2003), the effective number of parties at the regional level since 2015 is the highest one since the beginning of the democratic period (Simón and Ramos 2015: 5).

[TABLE 1 ABOUT HERE]

At the national level, the general election in December 2015 marked the end of bipartisan politics. The conservative People’s Party (PP) obtained 123 seats, which marked a huge loss from the overwhelming majority obtained in 2011. The Social-Democratic Party, PSOE, retained the second place but got its worst result to date: 90 seats. Two new parties gained seats: the center-right *Ciudadanos* (40 seats) and the anti-establishment, leftist *Podemos* ( 42 seats), which succeeded in building local alliances with left nationalists in Catalonia, Valencia and Galicia that won 27 seats.

Failed investiture votes to form a government resulted in the call of new elections, which took place in June 2016. Results did not significantly change the level of party fragmentation in parliament that had resulted from the previous election and a minority government led by *Partido Popular* was subsequently formed. It is important to note that changes in the party system are here to stay, for different reasons. First, the new parties are not small, as UP (the electoral coalition between Podemos and United Left for the 2016 general election), together with the territorial coalitions, has 71 parliamentary representatives, whereas C’s has got 32. Second, the new parties have gained representation in the national, regional and local governments and assemblies, so even if they experience an electoral downturn at one level, they may still be able to survive through representation at a different one. Third, there is a profound generational cleavage between the new and the old parties. New parties have been very successful in gaining votes among the very young, whereas the winning PP is the *fourth* preferred option among the youngest voters. We may expect young voters to gradually develop attachment and loyalty to the new parties, which may contribute to entrench the electoral support of the new parties.

The radical change in the Spanish party system poses a question: if, as discussed in the previous section, one of the most important drivers of cooperation in intergovernmental councils has been party politics and, more specifically, party congruence, then how may changes in the party system affect party politics and, in turn, the real operation of intergovernmental bargaining and conflict?

Similar changes in the party system have taken place in other countries during the last decade. For instance, when analysing the effects of the changing nature of the German party system, Lhotta and Blumenthal state “in the developing five-party system, actors have to adjust to a much more complex setting where alliances change and the trust needed for successful negotiations is fragile” (Lhotta and von Blumenthal, 2015: 231). Benz discusses on the effects of the changing party system in Germany differentiating between its consequences upon conflict and bargaining (Benz, 2016: 16). Benz states that the increasing number of effective parties and the variety of coalitions formed in the *Länder* has decreased intergovernmental conflict because “confrontation between governments representing parties from different camps has decreased“. However, a more fragmented bargaining setting makes negotiations no less difficult, because: a) policy positions of governments are now more diverse; and b) it is more difficult for the federal government to predict the vote of individual Länder in the Bundesrat, which turns joint-decision making into a less predictable process.

In the Spanish system, higher fragmentation in the party system may result in a more difficult bargaining process, but not in the same way as Benz describes for the German case, basically because there is only limited shared-rule, i.e. no joint decision-making process between the ACs and the central government whereby formal consent by regional governments is needed. So although political bargaining may generally become more difficult when the number of actors and represented interests increase, I hypothesize below a set of potential mechanisms and conditions whereby the higher fragmentation of the Spanish party system may have a positive impact on intergovernmental bargaining and, in turn, on intergovernmental cooperation.

The way in which I hypothesise the increase in party system fragmentation to have an impact in IGR is through its effects on the formation of governments. Empirical evidence supports a strong connection between the configuration of the party system – measured as the degree of fragmentation, namely the effective number of parties – and type of government. More specifically, more fragmented parliaments are more likely to result in minority or coalition governments and these types of governments exhibit certain characteristics that may be positive to enhance intergovernmental cooperation.

First, increasing fragmentation at the central and regional level may decrease confrontation between “blocs”, one representing the ruling party at the national level vs. the other representing the main opposition party at the national level. With a more fragmented national and regional party system, the partisan link between levels of government (the classification of regional governments into “affiliated” and “non-affiliated” ones) is less clear-cut than in a context in which single party governments predominate. Accordingly, we can expect party fragmentation to end two-bloc bipartisan conflict that has characterized intergovernmental relations in the Spanish Sectorial Conferences for a long time.

The types of governments that are likely to emerge in a fragmented party system (minority governments or coalitions) blur the clear-cut distinction between government and opposition that characterizes intergovernmental relations driven by regional and national single-party governments. On the one hand, if there is a minority government or a minority coalition, the incumbent party(ies) will require permanent bargaining with parties in the opposition in order to form a legislative majority. This means that parties that are in the opposition at the national or regional level may become allies of the national or regional incumbent party(ies) when it comes to pass legislation in certain policy areas. On the other hand, where national coalition governments are formed, some of the political parties in the coalition at the national level may be at the opposition at the regional level and some may form part of the regional government, and again this may have the effect of undermining the clarity of the party link between the national government and the regional ones. This may blur the distinction between opposition and incumbent parties and, in turn, weaken the “bloc” division-type of regional governments (affiliated and non-affiliated to the national incumbent party) and, in turn, the dynamics of confrontation.

Second, in a scenario of party system fragmentation we may expect higher ideological congruence between the national and regional governments. Party fragmentation brings more parties to the incumbent position through the formation of coalition governments, and this increases the probability of finding a partisan link between a national and regional executive that may help to grease cooperation in vertical intergovernmental bargaining.

Third, higher levels of interaction between political parties are expected under a more fragmented party system than under a two-party system. More specifically, coalition or minority governments ensure frequent interaction among political parties because the first operate based on compromise, and achieving it requires continuous bargaining among coalition members. In minority governments, too, interaction is driven by the incumbent party’s repeated need to build parliamentary majorities in order to pass legislation. Higher levels of interaction between political parties may enhance intergovernmental cooperation by making political parties’ policy positions more predictable and/or by increasing trust among actors. As stated above, successful cooperation in Sectorial Conferences has depended to a great extent upon informal relations among participants (León and Ferrín Pereira, 2011). Frequent interaction between political parties has resulted in some Sectorial Conferences in a self-reinforcing positive dynamic: when they meet frequently, they tend to develop closer personal relationships that decrease overall conflict and play a positive role in the achievement of agreements (see Table 2 for a summary of the arguments).

Fourth, as pointed out by Bolleyer (2009:7), the costs that cooperation involves in terms of autonomy should be relatively lower for coalition parties that are more used to compromise than for parties that rule in single-party governments. Accordingly, in a more fragmented party system parties should expect lower autonomy losses in cooperation, which may enhance intergovernmental agreements. In addition, lower clarity of responsibility in a coalition government (Powell and Whitten, 1993) may make coalition parties more willing to cooperate, as they know that citizens’ ability to punish for giving concessions in certain areas (in order to achieve cooperation) will be lower in contexts where responsibility attribution is blurred by a high dispersion of powers between actors.

[TABLE 2 ABOUT HERE]

The theorised impact of an increase in party fragmentation on intergovernmental relations may become more or less pronounced on condition of several factors. The first one is the type and stability of political alliances that are formed. If political alliances are mostly driven by ideology and give rise to the formation of stable coalition blocs at the national and regional level (a right-wing coalition of parties and a left-wing coalition of parties), then the lines of division between incumbent and opposition governments may still be in place and negatively affect intergovernmental relations.

The two most important cleavages in the Spanish party system – the centre-periphery and the ideological cleavage – are cross-cutting, which in principle may help to enhance cooperation between political actors. However, the positions of the four most important parties (PP, PSOE, UP and C’s) on the territorial and ideological cleavage largely coincide (the more left-wing, the more pro-devolution and the more-right wing, the less supportive of devolution), which makes cross-cutting alliances less likely. In addition, three of these parties have been so far reluctant to bargain with regional parties that are ideologically close but that endorse secessionism, which may reduce the ideological elasticity of the potential coalitions to be formed. Actually, the types of governments formed at the regional level after the 2015 and 2016 regional elections show that coalition and minority governments are ideologically coherent, meaning that parties tend to ally with parties that are close in ideology (there are no ideologically inconsistent alliances i.e. PP+PSOE or C’S+UP).

The second conditional factor may be the types of governments that are formed. Party fragmentation may result in higher party congruence between levels of government (which I hypothesized to have a positive impact on intergovernmental cooperation) if coalitions become the predominant type of government. In minority governments, opposition parties may still play an important role in providing support to the incumbent party in certain legislative areas, but that type of legislative collaboration does not contribute to bond national and regional executives through party lines. The type of government may also affect clarity of responsibility, as we may expect responsibility attribution to be more blurred where power is highly fragmented among different actors than when it is concentrated in one or few of them.

In the aftermath of the transformation of the party system, minority governments have become the predominant type of executive at the regional level, as shown in Table 1. This pattern may however change in the mid-term. One of the reasons why political parties were reluctant to form coalition governments after the 2015 regional election was the expectation that developing strong(er) bonds (through coalition agreements) with certain political parties could undermine their electoral prospects in the national elections. Political parties’ reluctance was enhanced by a changing political environment with high levels of electoral volatility that undermined the electoral bases of support of traditional parties while nurturing support of new ones.

The third moderating factor is duration of governments, which may affect the frequency of interaction among political parties. Interaction between political parties may result in higher levels of predictability of policy positions as well as enhanced interpersonal trust as long as that interaction is sustained over time. Government survival is more difficult under fragmented party systems. Empirical evidence on the relationship between government duration and type of executive shows that the survival rate of minority governments or minority coalitions is lower than majoritarian coalitions (and, in turn, of single party governments) (Laver and Schofield, 1990, Clark et al., 2013). In consequence, we may expect the benefits of interaction among political parties to unfold the longer the survival of governments, which will be more likely under majoritarian coalition than under minority governments and, above all, under minority coalitions.

In summary, in the previous paragraphs I have developed a set of arguments on the potential impact of party system fragmentation upon intergovernmental relations (see Table 2). Although political bargaining and agreements may generally become more difficult the higher the number of actors and interests represented in the system, there is a set of potential mechanisms whereby higher fragmentation of the party system may have a positive impact on intergovernmental cooperation and, in turn, offset the difficulties of having a larger and more heterogeneous group of political actors. The mechanisms essentially operate through the impact of the party system on the formation of governments. In more fragmented party systems, coalition and minority governments are more likely to be formed, which may put an end to the two-bloc confrontation that has characterized intergovernmental relations in Spain. Those types of governments may also bring to the system higher levels of party congruence between levels of government, more interaction among political parties as well as lower the costs of compromise for political actors, which may help to grease the bargaining process and, in turn, enhance the achievement of intergovernmental cooperation agreements.

**Concluding remarks**

Although the role of parties and party systems has traditionally been superficially addressed in the literature on federalism, since the mid-1990s there is renewed attention on the role that party systems and party in(congruence) may play in explaining federal dynamics, in general, and intergovernmental bargaining and conflict, in particular. Certainly, the most recent studies on intergovernmental relations based on country-cases (Poirier and Saunders 2014) show that party politics exhibit a determinative effect in the institutions and processes of IGR in every federation.

Spain is one of those countries in which IGR have been traditionally dominated by party competition. Given the profound transformation of the party system in Spain after the 2015 general and regional elections, this paper has explored the potential effect those changes may have on the nature and dynamics of multilateral intergovernmental relations in the State of Autonomies. The essential argument is that party system fragmentation may have an impact on vertical IGR through its effects on the formation of minority and coalition governments. I argue that these types of governments may put an end to the two-bloc confrontation that has characterized intergovernmental relations in Spain, bring to the system higher levels of party congruence between levels of government and lower the costs of compromise for political actors, which may help to grease the bargaining process and, in turn, enhance the achievement of intergovernmental cooperation agreements. The extent to which these factors offset the difficulties in political bargaining that result from having a higher number of actors and interests represented in the system will depend on several conditions, namely the ideological coherence of inter-party alliances, the predominant type of government in the system (coalition or single-party minority) and the duration of governments once formed.

Future research paths in this topic certainly invite to carry out an empirical test of the arguments introduced above. It may take some time until researchers can gather enough empirical evidence to explore whether the dynamics of intergovernmental relations in the Spanish State of Autonomies unfold as predicted in this paper. However, the theoretical arguments presented in the previous pages are nonetheless valuable, as they help to advance the theoretical systematisation of the relationship between party systems, government structures and the nature of intergovernmental bargaining and conflict in federal states.AGRANOFF, R. 2004. Autonomy, devolution and intergovernmental relations. *Regional & Federal Studies,* 14**,** 26-65.

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1. Riker suggested that the constitutional structure of a federation is determined by the degree of centralization of the party system, understood as the balance between federal and state interests. [↑](#endnote-ref-1)
2. When devolution started, four regions – Catalonia, the Basque Country, Andalusia and Galicia – accessed autonomy with higher levels of self-rule (fast-track process), whereas the rest followed the slow-path and were granted more limited authority. [↑](#endnote-ref-2)
3. Cooperation agreements between regions require the approval of the higher house (Senate). [↑](#endnote-ref-3)
4. With the exception of the CPFF (Fiscal and Financing Policy Council), which technically is not a Sectorial Conference, where decisions are subject to vote. The central government´s vote counts for 50%, so it becomes virtually impossible for the autonomous communities, whatever the combination of parties, to promote and prevent decisions against central government interests. [↑](#endnote-ref-4)
5. See also (Mueller, 2013, Mueller and Mazzoleni, 2016). [↑](#endnote-ref-5)
6. Such as the Sectorial Conferences on Agriculture and Rural development, the Sectoral Conference on Fishing or the Consultative Councils on Fishing and Agriculture European issues (González Gómez, 2006:112) [↑](#endnote-ref-6)
7. Another example of the executive-type cooperation is the creation of the Presidents’ Conference *(Conferencia de Presidentes)* was created in 2004 and brings together regional premiers and the prime minister. It has been convened intermittently (last time in January 2017). [↑](#endnote-ref-7)
8. Most of the new regional Statutes of Autonomy approved between 2006 and 2007 have regulated bilateral cooperation more extensively. The Statues in Catalonia, Andalusia, Aragon, Castile Leon and Extremadura have created new and permanent Bilateral Commissions on Cooperation as permanent bodies. In addition, in Catalonia, Balearic Islands, Andalusia, Aragon and Extremadura the new Statutes have created specific Bilateral Commissions on fiscal and economic issues. [↑](#endnote-ref-8)
9. See Laakso and Taagepera (1979) to know how the effective number of parties is calculated. [↑](#endnote-ref-9)