

Annex B. Methodology of the Regional Authority Index

The Regional Authority Index (RAI) evaluates individual levels of government (or individual regions in asymmetric arrangements) on an annual basis across ten dimensions of regional authority. A mix of primary sources (constitutions, legislation, statutes), secondary literature and consultation of country experts are employed to achieve reliable and valid estimates. The coding scheme and the method have proven successful – and withstood the test of academic scrutiny – for estimates of regional authority in 81 democracies for 1950-2010 (Hooghe et al., 2016^[1]; Hooghe, Marks and Schakel, 2008^[2]; 2010^[3]). The same methodology is applied to the update from 2010 to 2016.

The Regional Authority Index is grounded in a well-established set of concepts. Authority is defined as legitimate power, that is, power recognised as binding because it is derived from accepted principles of governance (Dahl, 1968^[4]). Formal authority is defined as authority exercised in relation to explicit rules, usually written in constitutions, legislation, treaties or statutes. A regional government has some degree of authority, with respect to some territorial jurisdiction, over certain actions. The proposed instrument, therefore, specifies: i) the territory over which a government exercises authority; ii) the depth of that authority; and iii) the spheres of action over which it exercises authority.

- With respect to the territorial scope of authority, a government may exercise authority in its own jurisdiction or co-exercise authority over a larger jurisdiction in which it is part. This is the distinction between self-rule and shared rule. The expression of authority in self-rule, that is rule over those within the regional territory, is fundamentally different from that in shared rule, that is rule in the country as a whole.
- With respect to depth of authority, one needs to estimate the degree to which a government has an independent legislative, fiscal, executive organisation, the conditions under which it can act unilaterally and its capacity to rule when opposed by the national government.
- With respect to spheres of action, a regional or international government can have authority over a smaller or broader range of policies. Authority over taxation and borrowing, and over constitutional reform are especially important.

The coding scheme presented in the table below sets out the ten dimensions that constitute the latent variable of regional government. They engage the following questions: i) What is authority and how might it be disaggregated into discrete dimensions?; ii) How can these dimensions be operationalised unambiguously?; iii) What rules can be specified to code governments on these dimensions?; iv) What ambiguities arise and how might one sensitively adjudicate them?; v) How robust are the resulting estimates to the assumptions that generate them?; vi) How might one evaluate systematic and random error in the estimates?

Table A B.1. Ten dimensions of authority for regional government

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|-----------------------|--|------|
| SELF RULE | Authority exercised by a regional government over those living in its territory | 0-18 |
| Institutional depth | The extent to which a regional government is autonomous rather than deconcentrated | 0-3 |
| Policy scope | The range of policies for which a regional government is responsible | 0-4 |
| Fiscal autonomy | The extent to which a regional government can independently tax its population | 0-4 |
| Borrowing autonomy | The extent to which a regional government can borrow | 0-3 |
| Representation | The extent to which a regional government has an independent legislature and executive | 0-4 |
| SHARED RULE | Authority exercised by a regional government or its representatives in the country as a whole | 0-12 |
| Lawmaking | The extent to which regional representatives co-determine national legislation | 0-2 |
| Executive control | The extent to which a regional government co-determines national policy in intergovernmental meetings | 0-2 |
| Fiscal control | The extent to which regional representatives co-determine the distribution of national tax revenues | 0-2 |
| Borrowing control | The extent to which a regional government co-determines subnational and national borrowing constraints | 0-2 |
| Constitutional reform | The extent to which regional representatives co-determine constitutional change | 0-4 |

Source: Hooghe, L., G. Marks and A. Schakel (2010_[3]), *The Rise of Regional Authority. A Comparative Study of 42 Democracies*, Routledge, London.



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