

## A Comparative Measure of Decentralization for Southeast Asia

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*In this article we set out a fine-grained measure of the formal authority of intermediate subnational government for Indonesia, Malaysia, the Philippines, South Korea, and Thailand that is designed to be a flexible tool in the hands of researchers and policymakers. It improves on prior measures by providing annual estimates across ten dimensions of regional authority; it disaggregates to the level of the individual region; and it examines individual regional tiers, asymmetric regions, and regions with special arrangements. We use the measure and its elements to summarize six decades of regional governance in Southeast Asia and conclude by noting how the Regional Authority index could further the dialogue between theory and empirics in the study of decentralization and democratization. **KEYWORDS:** decentralization, regions, multilevel governance, measurement, Indonesia, Malaysia, Philippines, South Korea, Thailand*

IN THIS ARTICLE WE BUILD ON QUALITATIVE RESEARCH TO ESTIMATE political and fiscal decentralization across five of Southeast Asia's most populous countries: Indonesia, Malaysia, the Philippines, South Korea, and Thailand.<sup>1</sup> The measure we set out goes beyond extant measures of decentralization in three respects. First, instead of conceiving the authority of regional governments as a point along a single dimension, it breaks authority down into ten dimensions. The extent to which these hold together can then be assessed empirically. Second, instead of considering regional government as a single entity, we evaluate regional governments at each level between the local and the national. In some countries there is just one such level, but in others, such as Indonesia and Malaysia, there are two, and we code these separately. All five countries discussed in this article have special autonomous regions, and we code these separately also.

Third, instead of evaluating decentralization at one or a few points in time, we code regions on an annual basis for the period 1950–2010.

The Regional Authority index is intended to complement case studies of decentralization, regionalism, and separatism, while providing a more refined yardstick for comparison than existing comparative measures. The data that have been available have conceptualized government structure in terms of a simple dichotomy: the central state and the noncentral state. One of the virtues of the measure proposed here is that its ingredients—multiple dimensions estimated at the level of individual regions at each level of regional government on an annual basis—provide researchers with a flexible tool for theory generation and hypothesis testing.<sup>2</sup>

We next discuss how political decentralization in Southeast Asia has been estimated in prior research before introducing the Regional Authority index. We then use the measure and some of its elements to summarize six decades of regional governance in Indonesia, Malaysia, the Philippines, South Korea, and Thailand. We conclude with an application of the Regional Authority index to comparative research on decentralization and democratization.

### **Estimating Regional Decentralization**

Providing numerical estimates of an abstract phenomenon such as authority requires a series of conceptual and empirical decisions to bridge the tension between the general and the particular. There are no silver bullets. The task is interpretive and requires a dialogue between the unique features of particular regions and an overarching frame in which one can compare. This is especially challenging in Southeast Asia by comparison with Western democracies. It is important to estimate regional authority independently from regime form in order to analyze the effect of one on the other. At the same time, one must be aware that an authoritarian regime may reduce regional autonomy to mere appearance. More broadly, where the rule of law is weak, informal practices may undercut written constitutions, laws, or codes (Eaton, Kaiser, and Smoke 2010). Regional authority is less codified in less-developed societies, and governments may have an interest in providing misleading information (Varshney, Tadjoeeddin, and Panggabean 2008). And the secondary literature, while impressive, is less dense.

These are serious issues, but they are not insurmountable. Our cure is to (a) break down the overarching concept of authority into

discrete, conceptually coherent dimensions that encompass the empirical referents of the concept; (b) operationalize these dimensions as institutional alternatives that are abstract enough to travel across cases, but that are specific enough to be reliably evaluated; (c) research the relevant body of constitutional laws, ordinary laws, and written codes; (d) carefully weigh the available documentary information in light of the secondary literature and recognized practice; (e) specify coding decisions and discuss ambiguities in comprehensive country profiles; and (f) engage country experts for feedback on the validity of our information and judgments.

Finally, and perhaps most importantly, our project is grounded on the principle of transparency. While we are aware that we may make questionable decisions or outright mistakes, we are intent on making our conceptual, operational, and coding decisions explicit to facilitate replication and dialogue. Every regional government has subtleties that will escape comparative estimation. The question that confronts us is whether our evaluation of a particular country or region makes sense for an expert with deep knowledge of that case while providing a frame for broad comparative analysis.

Nearly all comparative measures of decentralization focus on the OECD, post-Soviet countries, and the Balkans (Brancati 2006; Lane and Ersson 1999; Schneider 2003; Woldendorp, Keman, and Budge 2000).<sup>3</sup> The exception is Arzaghi and Henderson (2005), who estimate decentralization in 48 countries at five-year intervals from 1960 to 1995 using dichotomous categories for federal or unitary government structure, election of subnational executives, and central government veto and trichotomous categories for revenue raising, revenue sharing, and three policy areas (primary education, police, and infrastructure).

Comparative studies that include Southeast Asia tend to use fiscal data, chiefly data on subnational spending/revenues as a percentage of total government expenditure/revenues collated by the World Bank and the Asian Development Bank from national accounts and IMF statistics (Bird and Vaillancourt 1998; Boadway and Shah 2009; Dziobek, Mangas, and Kufa 2010; Martinez-Vasquez 2011; Shah 2007; World Bank 2005). But these time series have many missing data points and reach only up to the 1990s and early 2000s (Arze del Granado, Martinez-Vazquez, and McNab 2012, Table 3). More importantly, these data are misleading as indicators of authority. The amount of money that a regional government raises or spends is a poor guide to its discretion over how the money is raised or how it is spent (Rodden 2004;

Schakel 2008; Sorens 2011). One result is that the most used measures of government structure yield a one-dimensional picture that is not infrequently at odds with qualitative assessments (Hooghe and Marks 2013). As we shall see, regional authority has increased markedly in Indonesia, the Philippines, and Thailand since the 1970s, but this finds no echo in subnational spending.

### **The Regional Authority Index**

The Regional Authority index estimates the extent to which regional governments, defined as intermediate governments having a minimum average population of 150,000 in 2010, exercise authority. We conceive authority as institutionalized power that is regarded as legitimate (Weber 1997 [1947], 58). Authority is a broad and abstract quality, and our first move is to disaggregate in two domains. Self-rule is the authority that a subnational government may exercise within its own jurisdiction; shared rule is the authority that a subnational government may (co)exercise in the country as a whole. The distinction is well established in the literature on decentralization and federalism and is an important step in pressing the concept of authority into a limited number of specific dimensions (Elazar 1987; Keating 1998; Lane and Ersson 1999; Riker 1964).

We identify five dimensions of self-rule: (a) the institutional depth of a regional government, (b) its policy scope, (c) its fiscal autonomy, (d) its borrowing autonomy, and (e) the extent to which it has autonomous, elected representation. These dimensions are a response to the question, “In what ways and to what extent does a regional government exercise authority over the people who live in its territory?” We estimate shared rule as the extent to which a regional government codetermines (f) national legislation, (g) executive policymaking, (h) tax allocation, (i) borrowing constraints, and (j) constitutional reform.<sup>4</sup>

We seek to avoid methodological nationalism—the assumption that a country is the natural social and political form and therefore should be the unit of analysis (Jeffery and Schakel 2013; Wimmer and Glick Schiller 2002). The unit of comparison will depend on the problem at hand, and so we anchor our measure at the lowest level: the individual region. If the arrangement for a particular tier is uniform, we estimate individual regions on that tier. Where regions are asymmetric or have special arrangements we code them separately.

The data can therefore be used at the level of the individual region or regional tier or country. Estimates for regions are weighted by population to produce aggregate scores for a regional tier. Regional tiers are summed to produce country scores.<sup>5</sup> By 2010, all five countries surveyed here had special autonomous regions. Indonesia and Malaysia have two intermediate tiers.

This approach is highly disaggregated in that it examines ten dimensions that comprise regional authority at the level of the individual region on an annual basis. But it has the advantage that it presses an abstract concept into qualities that can be empirically assessed against the historical record preserved in constitutions, laws, executive orders, and government documents of various kinds. Triangulating this evidence with the secondary literature and country reports by international institutions is essential, as is soliciting in-depth commentary from country experts.

We use these sources of information in extended dialogue among the authors to arrive at coding decisions. Disagreements and ambiguities are resolved by soaking and poking in the sources listed above, and the consensus judgment is explained in a profile for each country, which is available online ([www.falw.vu/~mlg/data.html](http://www.falw.vu/~mlg/data.html)). Our objective is to make conceptual, operational, and coding decisions explicit and therefore open to criticism and revision. This is important because different datasets will always have points of disagreement that can only be resolved by examining the relative validity of the observations in question.<sup>6</sup> The extensive documentation that we provide is intended to make it easier for researchers to amend or refute our decisions.

### **Conceptual Challenges**

Evaluating subnational authority in Southeast Asia poses several challenges. First, there is the question of how to estimate regional authority under an authoritarian regime. The countries in this dataset cover the gamut from authoritarianism to democracy over the period 1950 to 2010, and so require a nuanced appreciation of how the character of the regime constrains subnational authority.

Authoritarianism curbs democratic elections, and usually constrains regional representative institutions, but it is not a black-and-white phenomenon. One can expect authoritarianism to bias subnational relations toward centralization, but the governance challenges

posed by the distinctive topography and ethnic diversity of Southeast Asia affect such processes in different ways and to different degrees.

Authoritarian regimes rarely abolish subnational institutions, though they may alter their remit considerably. Authoritarianism constrains representation if elections for subnational legislatures or executives are suspended or abolished, but this varies considerably. In South Korea, autonomous representation was abolished for both legislatures and executives in 1961. In Indonesia, the process was gradual. Provincial and municipal legislatures continued to be elected even under Suharto, but subnational executives were gradually brought under central control. In 1959, regional governors became dual appointees; in 1974, they were centrally appointed; and from 1979 the central government could appoint mayors and district heads as well.

Authoritarianism may also be more heavy-handed in certain regions of a country than in others. In Indonesia, the semidemocratic Sukarno regime curbed self-governance most completely in regions with ethnic minorities. Aceh, which had been a *de facto* self-governing region in the dying days of Dutch colonialism, lost its provincial status in 1951. It regained provincial status in 1957 and was declared a special region in 1959, but effectively remained under military control (Reid 2010, 41). Not until 2001, and some would argue 2006, would Aceh regain significant autonomy (Bertrand 2007, 2010; Stepan, Linz, and Yadav 2011). By contrast, in much of Indonesia, first- and second-tier regional governments—*provinsi* and *kabupaten/kota*—could hold relatively free elections for regional assemblies (Reid 2010, 43).<sup>7</sup> The disparity faded in the late 1960s when Sukarno's Guided Democracy regime was replaced by the New Order regime of Suharto with the revolutionary goal of an integralist Indonesian nation expressed in the 1945 constitution (Bertrand 2007, 577). In 1974 the regime formally revoked the autonomy legislation of the 1950s.

Our coding reflects these differences in the following ways. First, we code Aceh separately as having limited self-governance between 1957 and 1973, followed by deconcentrated government from 1974. Second, the scoring of *provinsi* and *kabupaten/kota* is sensitive to the relative severity of authoritarianism. Under Sukarno, limited self-governance was legally entrenched and politically tolerated, while under Suharto, self-governance was scaled back to deconcentrated government. The precise timing of the downscaling to deconcentrated government is debatable. We opt for 1974 because this is

when regional self-governance was formally repealed in the wake of executive and military orders weakening provincial and district governance from the late 1960s. Even after 1974, the regime heavily regulated, but did not ban, direct election of assemblies, though it wielded a veto over provincial governors and district heads. In all other matters, Indonesia under the New Order was highly centralized, with “the lower levels of government simply implement[ing] directives” (Bertrand 2010, 175). Because we code at the level of the region rather than the country, and disaggregate regional authority into dimensions tapping executive powers, legislative elections, and the capacity of the center to veto regional decisionmaking, we can pick up these fine-grained differences.

A second, and equally profound, challenge is the potential gap between formal authority and informal practice. As Eaton, Kaiser, and Smoke (2010, 24) emphasize, “[A] complete institutional analysis must consider informal social norms that govern individual behavior and structure interaction between social actors.” The letter of the law (or regulation) may be quite different from the norms that shape institutionalized practice.<sup>8</sup> Bertrand (2010, 163) succinctly summarizes the problem:

Autonomy can sometimes become an empty shell. Powers may exist in law, but are subsequently undermined by the central state. For instance, the central state can enact other legislation that might contradict the autonomy law. By various bureaucratic or extra-institutional means, it might also slow or stall the autonomy law’s implementation. Repressive policies might be launched after the autonomy law is passed, thereby reducing its meaning and ultimately its legitimacy. There are various ways in which autonomy, therefore, can be significantly eroded or even nullified after it is extended a symbolic recognition.

Our guiding principle is to investigate the formal rules and then evaluate the extent to which these are translated into routinized practice. To what extent should the factors that limit or nullify legislation be included in a measure of regional authority? On the one hand, we wish to produce a sharp explanatory tool that can help researchers investigate the causal links between the structure of government, regime type, corruption, and clientelism. If we loaded the latter three factors into a measure of regional authority we would make it more difficult to explore their causal connections.

On the other hand, it surely makes sense to conceive formal authority broadly as legitimate, routinized power that is based on, but

not confined to, written rules or laws.<sup>9</sup> Hence we pay close attention to the effects of postlegal routinized control exercised in the context of, say, a military coup or state of emergency. This can vary a lot, from complete suspension of regional autonomy as in Aceh from 1951 to 1957 following Indonesian military occupation, to the relatively limited impact of the 1969–1971 state of emergency in Malaysia, which did not encroach on traditional regional authority, including control of religious-cultural policies, agriculture, and mining.

Routinized erosion of regional authority can be piecemeal. The authority of a regional executive is diluted if it is shared with a central appointee, as in Thailand where since 2004 *changwat* are cogoverned by a directly elected chairman and centrally appointed governor (Mutebi 2004). We conceive this as dual government, which receives an intermediate score on the dimension of representation. Or take regional borrowing. Conditions on borrowing are usually laid down in law, but to assess the depth of constraint we examine whether loans are merely bound in general terms by the law (as in the Philippines) or require specific prior approval of the central state (as in Indonesia and South Korea).

We do not wish to capture the effects of partisanship or party politics on regional authority. Regional governments may be more assertive if they have a different partisan complexion from the central government, but our focus is on the rules of the game rather than how they are used. We regard the introduction of direct elections for *changwat* executives in Thailand in 1997 as a step toward greater regional authority despite the claim that executives became less, not more, independent from central government influence since many were members of prime minister Thaksin Shinawatra's inner circle (Hicken 2006; Kuhonta 2008). Direct election of subnational executives introduces a channel for local accountability, and this should be picked up in an index of regional authority even if party dynamics subvert this. If we wish to find out how party dynamics affect the exercise of authority, it makes sense to estimate authority independently from party control (Chhibber and Kollman 2004; Harbers 2010; Hopkin 2009; Riker 1964).

In the next section we summarize the course of regional authority in Indonesia, Malaysia, the Philippines, South Korea, and Thailand along the dimensions of the Regional Authority index and probe at a disaggregated level to reveal similarities and differences in the development of self-rule and shared rule in these countries.

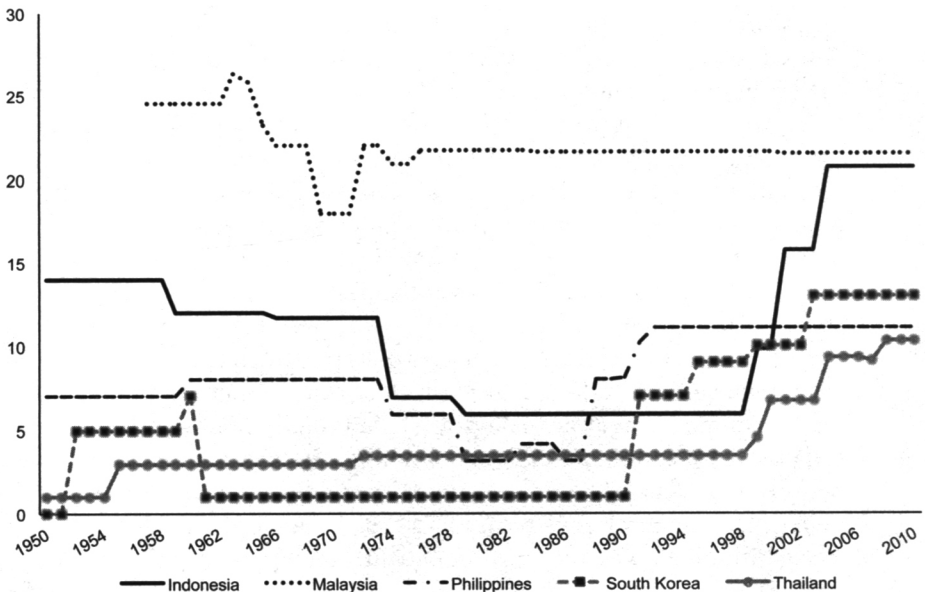


### The Rise of Regional Authority from 1950 to 2010

Southeast Asia might be considered hospitable terrain for decentralization. It is composed of countries formed of islands and archipelagoes with high levels of ethnolinguistic and religious fragmentation. Its growing and evermore densely packed populations have faced frequent and devastating natural disasters that pose difficulties for centralized governance. Still, Southeast Asian governments remained highly centralized until recent times. Between 1950 and 1990, only Malaysia had elected regional governments with extensive policy competences. Over the past two decades, the Philippines, South Korea, Thailand, and Indonesia have created and empowered elected regional governments.<sup>10</sup>

The Regional Authority index detects eighty-six reforms in Indonesia, Malaysia, the Philippines, South Korea, and Thailand in the six decades since 1950.<sup>11</sup> Malaysia, the most decentralized until the mid-2000s, has witnessed a slight decrease in regional authority. Figure 1 shows fairly large jumps in the aggregate index for Indonesia after 1999, the Philippines after 1986, South Korea after 1990, and Thailand after 1997.

Figure 1 Evolution of Regional Authority in Five Countries, 1950–2010



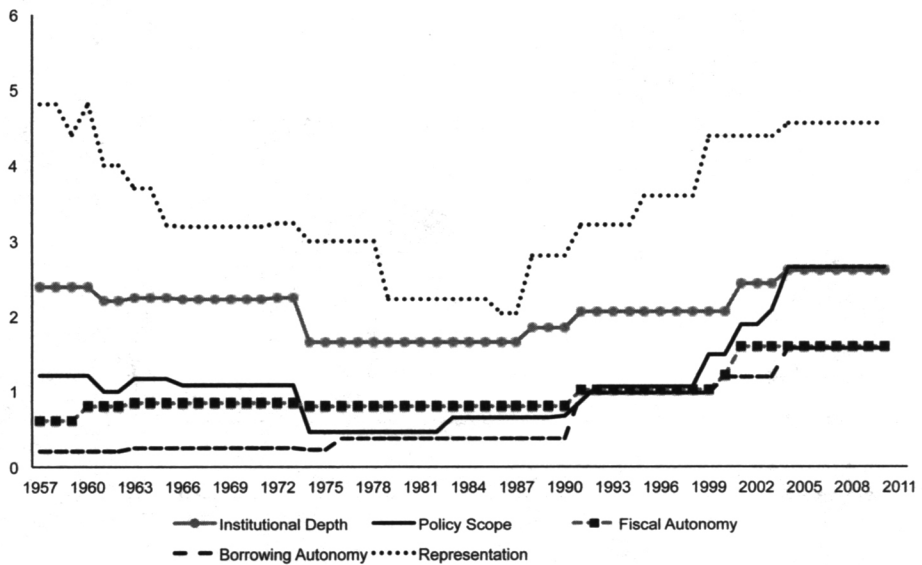
Indonesia, Malaysia, the Philippines, South Korea, and Thailand are wonderfully diverse, yet our premise is that they can be compared along a common set of dimensions that can be quantitatively assessed. When we do this, we can say that regional authority in four of these countries has risen over the past sixty years, while in one, Malaysia, it has declined. The rise in regional authority has been particularly marked in Indonesia, which is now the most regionalized of these countries, and in South Korea and Thailand. Swings in regional authority have been most pronounced in Indonesia, the Philippines, and South Korea, and it is no coincidence that these countries have experienced protracted periods of authoritarianism. These comparisons are derived from more than 3,000 independent observations, and so they hide many consequential details. But it is useful to observe that when we aggregate to the country level the picture that emerges is consistent with that depicted in case studies.

The dimensions of the Regional Authority index hold together as a single latent construct (Cronbach's alpha is 0.86), and can be used as a summary measure at the country level. However, disaggregating the index reveals some interesting patterns.

Figure 2 shows that the five dimensions of self-rule move more or less in tandem, but that the greatest change has been in representation. Regional representation is particularly vulnerable to authoritarianism and responsive to democratization. Popular regional elections were suspended after the 1961 coup in South Korea and in the Philippines after 1979 under Marcos. Over the past twenty-five years, elected regional assemblies have been established or reestablished in the Philippines, South Korea, and Thailand. Elected regional executives have been introduced in Indonesia, the Philippines, South Korea, and a dual executive in Thailand. All five countries now have elected regional assemblies, and all but Thailand have elected regional executives. The principle of popular election has infused sub-national governance in this part of the world.

Figure 3 charts shared rule over the past six decades. Until 1989, shared rule existed only in the Indonesian special status province of Yogyakarta and in Malaysia. The sharp drop in the late 1960s in constitutional reform and lawmaking reflects the temporary closure of the federal parliament in Malaysia. Shared rule in Malaysia declined because the position of state representatives in the senate weakened, and because Kuala Lumpur, Labuan, and Putrajaya were brought under direct federal control in 1974, 1984, and 2001, respectively. The Philippines was the third country to recognize limited shared

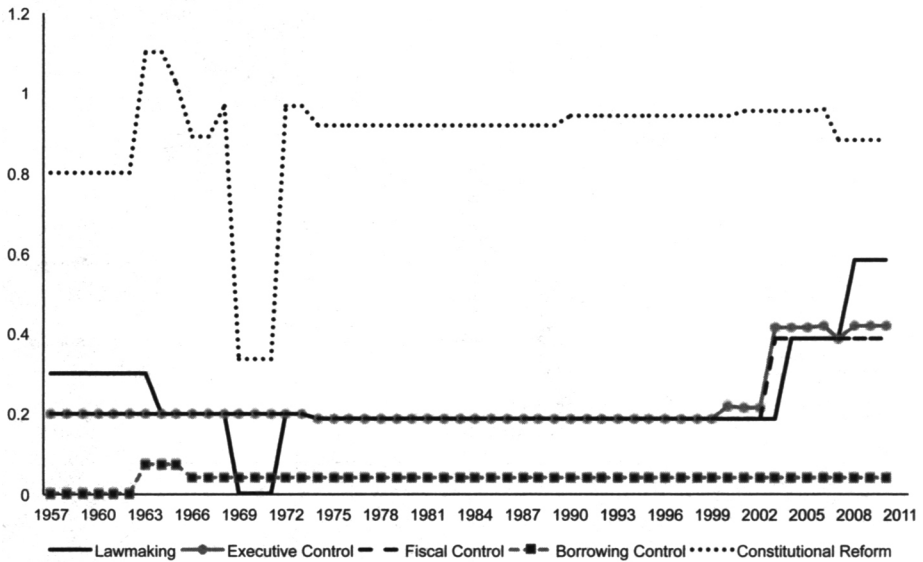
Figure 2 Five Dimensions of Self-Rule, 1957–2010



Notes: Averages by dimension of self-rule for Indonesia, Malaysia, Philippines, South Korea, and Thailand. Country scores are weighted equally. Institutional depth ranges from 0 to 3, policy scope from 0 to 4, fiscal autonomy from 0 to 4, borrowing autonomy from 0 to 3, and representation from 0 to 4.

rule, when in 1990 the Autonomous Region of Muslim Mindanao saw its organic statute reformed. This was followed by arrangements for Bangkok, Pattaya, Aceh, Papua, and Jeju. In the last decade Indonesia and Thailand established upper chambers on the principle of regional representation. By 2010, all five countries had some shared rule.

Table 1 lists asymmetric or special autonomous regions alongside standard regions. We speak of an asymmetric arrangement when a region falls under a countrywide constitutional structure but deviates on one or more dimensions. A special autonomous region is exempt from some aspect(s) of the countrywide constitutional framework, and has its own statute or receives special treatment in the constitution or statutory law. The number of special or asymmetric regions has increased from just five in 1970 (or six including the short-lived arrangement with Singapore) to thirteen in 2010. Only

**Figure 3** Five Dimensions of Shared Rule, 1957–2010

*Notes:* Averages by dimension of shared rule for Indonesia, Malaysia, Philippines, South Korea, and Thailand. Countries are weighted equally. Lawmaking ranges from 0 to 3, executive control from 0 to 4, fiscal control from 0 to 4, borrowing control from 0 to 4, and constitutional reform from 0 to 8.

half of all special arrangements were designed to accommodate ethnic or religious demands, while economic competition and the special demands on capital cities motivate the rest. In 2010, 42 million people, or 9 percent of the population in these five countries, lived in asymmetric or special autonomous regions.

### **An Application to Democracy in Southeast Asia**

The Regional Authority index is designed to be a flexible tool in the hands of researchers and policymakers. It codes the dimensions that comprise regional decentralization, and it does this on an annual basis for individual regions and regional levels, as well as for countries. This is particularly useful because the expectations framed in the study of political economy and comparative politics often discriminate among dimensions of authority, types of regions, and regions at different scales.

Table 1 Regional Authority Index (RAI) for Special Regions and Standard Regions

	Type of Region <sup>a</sup>	Special Region <sup>b</sup>	RAI in 2010	Standard Region	RAI in 2010
Malaysia	E	Sabah (1963–)	27	<i>negeri</i>	19
	E	Sarawak (1963–)	27	<i>negeri</i>	19
	E	Singapore <sup>c</sup> (1963–1965)	–	<i>negeri</i>	–
Indonesia <sup>d</sup>	C	Kuala Lumpur (1974–)	1	<i>bandaraya/perbandaran</i>	3
	D	Labuan (1984–)	1	<i>bandaraya/perbandaran</i>	3
	C	Putrajaya (2001–)	1	<i>bandaraya/perbandaran</i>	3
	E	Daerah Istimewa Yogyakarta (1950–)	12	<i>provinsi</i>	11
	E	Nanggroe Aceh Darussalam (1957–)	15	<i>provinsi</i>	11
	C	Daerah Khusus Ibukota Jakarta (1966–)	11	<i>provinsi</i>	11
	E	Provinsi Papua (2001–)	14	<i>provinsi</i>	11
Philippines	E	Autonomous Region of Muslim Mindanao (1979–)	14	<i>probinsiya</i>	11
	D	Jeju (2006–)	17	<i>do/gwangyeoksi</i>	13
South Korea	C	Bangkok (1972–)	12	<i>changwat</i>	10
	D	Pattaya (1978–)	11	<i>changwat</i>	10

Notes: a. C = capital region; D = economic development region; E = ethnic, historical, or religious region.

b. Date in parentheses refers to creation as special or asymmetric region.

c. Singapore seceded in 1965.

d. East Timor had the status of a standard province in Indonesia before it seceded in 2001.

This applies unambiguously to research on decentralization and democracy. Theories of democratization seek to explain variation over time as well as cross-sectional variation, and they have implications not just for decentralization in toto, but for specific competencies handled by subnational governments. Numerous studies investigate how democratization interacts with the structure of government in individual countries (Bermeo 2002; Horowitz 1991; Lijphart 1991; Ordeshook and Shvetsova 1997; Reilly 2007; Stepan 1999). Can one gain empirical traction in evaluating a general explanation?

A core expectation is that democratization opens a regime to societal demands because it multiplies the targets for mobilization while reducing the risks imposed on groups that mobilize (Chhibber and Kollman 2004; Stepan, Linz, and Yadav 2011). Pent-up pressures for regional rule come to the surface as a regime democratizes (Díaz-López 1981; Moreno 1997), and so one might anticipate a burst of regional reform if the regime has suppressed indigenous, ethnonationalist, or religious groups demanding autonomy or secession. Moreover, democracy expresses general principles of popular rule and representation that apply to regional government across the board (Hofman and Kaiser 2002; Lancaster 1999). This might be felt first in the creation of autonomous regional assemblies followed by the extension of their policy competences and financial responsibilities. The hypothesis is that democracy has a ripple effect for regional decentralization in a country as a whole.

However, there is also the expectation that democratization itself is boosted by the mobilization of territorial demands for greater self- and shared rule. Power sharing with local governments can lead to democratic consolidation (Diamond and Tsalik 1999). Nonterritorial opposition may find shelter in a region that is afforded a measure of self-rule (Kymlicka 2001). Demands for territorial recognition on the part of ethnic minorities are among the most deeply rooted and persistent sources of political mobilization. Demands for territorial autonomy on the part of normatively distinct, territorially concentrated groups are a sensible place to look if one wishes to find pressures that can lead an authoritarian regime in the direction of greater openness. Such demands may be so costly to suppress that they crack the determination of a regime to sustain a wall of outright rejection. And by appeasing such demands, a regime may signal to other groups that it is unwilling to suppress opposition.

These expectations can be evaluated only by digging beneath the surface of decentralization. To capture the mutual causality of decen-

tralization and the territorial structure of government, one needs information on the content of decentralization and its territorial coverage. The Regional Authority index provides a window on democracy's ripple effect across different elements of self-rule, including elected regional assemblies and executives, and allows one to detect the effects of asymmetric regionalization within countries produced by the empowerment of special status regions such as Mindanao, Aceh, and Papua.

To evaluate these hypotheses, we model democracy and regionalization in Indonesia, Malaysia, the Philippines, South Korea, and Thailand from 1950, or since independence, to 2010. Units are annual observations. We use the *Polity IV* database to estimate democracy. Scores vary in our dataset from  $-9$  (least democratic) to  $+10$  (most democratic). *Top-tier authority* is the regional authority score for the topmost tier between the local and the national, which varies in this dataset from 0 to 19.5.<sup>12</sup> *Asymmetry* is calculated as the score for the most authoritative asymmetric jurisdiction in a country minus the *top-tier authority* score, and varies from 0 to 8.

Three models in Table 2 consider these expectations.<sup>13</sup> Model 1 finds that democracy at time  $t-1$  is significantly associated with the authority of top-tier regions at time  $t$ . The link with democratization is quite strong for representative institutions. We detect twenty-four

**Table 2 Predicting Democracy, Top-Tier Authority, and Asymmetry**

	Model 1 (DV = top-tier authority)	Model 2 (DV = democracy)	Model 3 (DV = asymmetry)
Lagged top-tier authority	0.897*** (0.027)	0.026 (0.071)	0.032 (0.022)
Lagged democracy	0.047*** (0.014)	0.874*** (0.036)	0.003 (0.011)
Lagged asymmetry	0.025 (0.038)	0.183* (0.098)	0.819*** (0.031)
Constant	0.699** (0.208)	-0.380 (0.554)	0.245 (0.172)
R <sup>2</sup> within	0.88	0.79	0.73
N	288	288	288

Note: Two-tailed tests significant at \* $p \leq 0.05$ ; \*\* $p \leq 0.01$ ; \*\*\* $p \leq 0.001$ .

reforms of representative institutions of which ten take place in the context of democratization.

Model 2 finds that *asymmetry* at time  $t-1$  is significantly correlated with democracy at time  $t$ . *Asymmetry* in Model 3 is predicted only by its lagged indicator. In these models, the only outcome associated with *top-tier authority* at time  $t-1$  is *top-tier authority* at time  $t$ . The results are consistent with the idea that asymmetric decentralization helps to produce democratization and democratization enhances the general level of regionalization across the society.

These models are a first step in exploring the interconnections between democratization and regional authority using the Regional Authority index, but they make two larger points. First, they suggest that the ingredients of regional authority may have diverse sources and consequences. The benefit of disaggregating regional authority is not just a matter of increasing the accuracy of observation, but of gaining a more nuanced understanding of the paths to different structures of government.

Second, the relationships we find suggest that future quantitative comparative research might usefully look beneath the outer shell of decentralization at the country level. When territorially concentrated indigenous, ethnonationalist, or religious groups achieve self-rule, this may not show up much on national indices of decentralization, yet such reforms can have regime-changing effects. The interplay of regional authority and democracy takes place at the level of individual regions as well as countries.

## Conclusion

This article sets out an annual measure of regional authority for five Southeast Asian countries from 1950 to 2010. Our intention is to put in the public domain reasonably valid data that allow comparativists to investigate the character, causes, and consequences of the territorial structure of government. The measure we propose is the first attempt to estimate regional authority in developing societies along multiple dimensions on an annual basis. Country scores combine scores for dimensions and regional tiers, but the constituent elements provide information beyond country aggregates. Regionalization has deepened in these countries over the past twenty-five years, but some aspects—for example, political representation, policy scope, and special autonomy—have changed more than others.



Comparative politics must doubtless make concessions to simplicity in an effort to compare across diverse countries. But previous measures of decentralization have been overly reductionist. One result has been a disconnect between theory and data. The effect of democratization on the structure of government is a case in point. The measure described here is an effort to bring more and better information to bear in assessing the validity of causal claims.

Our effort involves some serious challenges. Coding subnational authority in nondemocratic regimes requires that one distinguish the type of regime from the territorial structure of government. This is related to a broader challenge: that of evaluating institutionalized practice in the presence of informal norms. Our focus is on authority, routinized rule that engenders obedience because it is regarded as legitimate. Comparative estimates of regional authority should not confound institutionalized rule with the many factors that can shape the exercise of power, such as the partisan character of a government, party organization, economic wealth, or the charisma or ideology of a particular regional or national leader. At the same time, we are attentive to the potential tension between norms that are written and norms in practice. When we detect a conflict we code the latter. The five countries we investigate are suggestive of what may lie in wait as scholars compare subnational authority across developing societies.

The Regional Authority index assesses intermediate government, but it would be foolish to regard local government as unimportant. Our study of regional government renders the task of rigorously assessing local government more, not less, pressing. Variation in intermediate government is greater both over time and across countries than variation in local government, but a reasonably comprehensive understanding of government should encompass its multiple levels from the local to the national and beyond. Such a project would extend the spirit of the Regional Authority index in estimating subnational governments at a variety of scales instead of lumping them together under the rubric of decentralization.

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## Notes

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1. Although South Korea does not belong geographically to Southeast Asia, it bears some similarities to our Southeast Asian cases regarding the timing of decentralization, development, and democratization.

2. The index is an updated and extended version of a measure for forty-two democracies (Hooghe, Marks, and Schakel 2010). The conceptual, operational, and coding issues are more severe than those for Western democracies.

3. There are several large-N datasets with fiscal indicators for a few time points for Latin America (Daughters and Harper 2007; Escobar-Lemmon 2001; Haggard 2000; Harbers 2010; Ter-Minassian 1997; Willis, Garman, and Haggard 1999). Multidimensional assessments of decentralization exist for one or a handful of countries (Falleti 2005, 2011; Montero and Samuels 2004). However, there is as yet no large-N dataset that disaggregates decentralization into fiscal and political-administrative dimensions.

4. These dimensions are outlined in more detail at [www.falw.vu.nl/~mlg/data.html](http://www.falw.vu.nl/~mlg/data.html). For an extensive discussion of the coding categories that engages ambiguities and border cases, see Hooghe, Marks, and Schakel (2010) and Hooghe, Marks, Chapman Osterkat, Niedzwiecki, Schakel, and Shair-Rosenfield (forthcoming).

5. Our intuition is that an individual can think of herself as a member of a nested set of jurisdictions from the local to the national. A country score summarizing regional authority represents the combined authoritative weight of regional jurisdictions for individuals living in that country.

6. Statistical textbooks often emphasize that measurement error is more problematic on the independent variable than on the dependent variable

(e.g., King, Keohane, and Verba 1994). This leads students of comparative politics in the wrong direction because it suggests that one can manage measurement error by assumption rather than by observation. The textbooks point out that measurement error in the independent variable produces a downward bias in the bivariate regression slope coefficient, whereas measurement error in the dependent variable leads merely to larger standard errors, but does not bias the slope coefficient. However, this makes the unwarranted assumption that error is random, not systematic. *Systematic* error in either the independent variable or the dependent variable will bias the slope coefficient. The extent to which measurement error in the dependent variable is random or systematic cannot be determined by assumption, but requires that the researcher compare observations (Marks 2007; Marks, Hooghe, and Schakel 2008).

7. At least in those parts of Indonesia not riven by civil war or revolt. Regional autonomy came under pressure after 1959 when Sukarno suspended the national constitutional assembly, and reintroduced the more centralized 1945 constitution.

8. Clientelism often combines formal centralization and informal decentralization so that patrons can deliver particularistic benefits to local constituencies. A revealing illustration is the political backlash against decentralization in Argentina and the Philippines (Eaton 2001).

9. We code constitutional or legal changes only when they come into effect. The gap between legislation and implementation can be extensive. In South Korea it took around twelve years for the Local Autonomy Act of 1988 to come into force, and we code only the parts of the reform that were implemented by enabling legislation (Bae 2007; Choi and Wright 2004).

10. The dataset also includes independent Singapore (since 1965), Brunei (since 1984), and East Timor (since 2002).

11. A reform is defined as a survey year in which there is a change in the Regional Authority index.

12. In Malaysia these are the states (*negeri*), in Indonesia the provinces (*provinsi*), and in the Philippines the provinces (*lalawigan, probinsiya*).

13. We implement fixed effects time-series OLS regressions with AR1 correction for serial autocorrelation for all three models for comparability. Ordered logistic regression with country-level dummy variables for Model 3 produces largely the same result.

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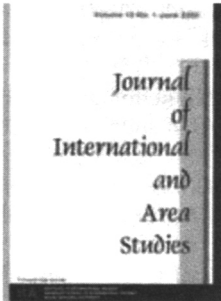
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