PARTY MATTERS:
DEVOLUTION AND PARTY POLITICS IN BRITAIN AND SPAIN*

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Abstract

This article addresses the relationship between political decentralization and the organization of political parties in Great Britain and Spain, focusing on the Labour Party and Socialist Party respectively. It assesses two rival accounts of this relationship: Caramani's 'nationalization of politics' thesis, and Chhibber and Kollman's rational choice institutionalist account in their book The Formation of National Party Systems. It argues that both accounts are seriously incomplete, and on occasion misleading, because of their unwillingness to consider the autonomous role of political parties as advocates of institutional change and as organizational entities. The paper develops this argument by studying the role of the British Labour party and the Spanish Socialists in proposing devolution reforms, and their organizational and strategic responses to them. It concludes that the reductive theories cited above fail to capture the real picture, because parties can not only mitigate the effects of institutional change, but they are also the architects of these changes and shape institutions to suit their strategic ends.

Key words: decentralization – party organization – organizational change – institutional change

This research has been supported by the ESRC (Award L219 25 2105) and the Institut d'Estudis Autonomics of the Generalitat de Catalunya (Batista i Roca award during 2007). Many thanks to Jordi Argelaguet, Montserrat Baras, Astrid Barrio, Oscar Barberà, Martin Laffin, Mónica Méndez, José Ramón Montero, Juan Rodríguez, Eric Shaw and Pieter van Houten for comments on its various drafts.

Introduction

One of the most notable trends in West European politics over the last three decades has been decentralization. Even traditionally centralized states such as the UK and France have devolved power to sub-national tiers of government; with the exception of some smaller European countries, multi-level electoral politics and the distribution of important policy competences to the regional level have become the norm in established democracies.

This poses a challenge to the political scientists studying party politics. Most of the classic literature on political parties takes a 'national' or statewide perspective, neglecting the territorial dimensions of party competition, government formation and electoral participation. More recent research on territorial politics tends to emphasize the particular territories where strong ethnoregionalist movements have emerged, paying rather less attention to the wider impact of such developments on the political system as a whole. But a growing body of research examines how decentralizing reforms affect party politics at all levels of the political system (van Houten and Roller 2003, Hopkin 2003, Maddens and Swenden 2008).

This article aims to contribute to this emerging literature by looking at the relationship between decentralizing reforms and 'statewide' political parties – parties which seek to represent voters throughout the territory of the nation-state, and identify themselves with the the nation state, rather than any distinctive ethnic identity or specific territory within it. Decentralization may often be a response to the demands of ethnoregionalist parties, but statewide parties still usually dominate the political institutions of even highly decentralized political systems. The relationship between institutional reforms and the organizational and strategic dynamics in statewide

political parties is therefore crucial to our understanding of processes of decentralization. In particular, the article examines why parties act to initiate decentralization reforms, and how they deal with the consequences of these reforms for their internal structures. This empirical enquiry is informed by a broader theoretical debate about the relative importance of formal political institutions or underlying social forces in driving political dynamics in contemporary democracies. Whilst much of the existing literature sees either social forces or formal institutional arrangements as the driving force of party system dynamics, this article will instead focus on political parties themselves as autonomous actors within the political system.

To illustrate the usefulness of this 'party-centred' approach, the article presents a qualitative comparative case study of two statewide political parties in large, multinational European democracies which have undergone major decentralizing reforms: the British Labour Party and the Spanish Socialist Party (PSOE). Both are relatively 'old' parties that have had to deal with major institutional upheavals which have altered the territorial shape of the state during their existence. Both have had a strong presence across their state territories, and both parties have been firmly entrenched as significant political forces in state territories with a history of demands for self-government. Both parties have had to confront processes of decentralization which had the potential to destabilize relations between their territorial sub-units (for the UK the devolution reforms at the end of the 1990s, for Spain the 'autonomies process' beginning with the 1978 Constitution and continuing through to the present). This range of similarities provides a useful basis for examining how political parties as organizations intervene independently in the decentralization process.

Theories of Territorial Politics: Cleavages or Institutions?

Our theoretical starting point is that political parties are a key mediating variable between the formal institutions of the state and patterns of social differentiation. Much existing work on electoral politics has tended to emphasize either the social bases of political cleavages (Lipset and Rokkan 1967, Bartolini and Mair 1990, Caramani 2004) or the role of formal institutional structures (Cox 1997, Chhibber and Kollman 2004) in determining party system characteristics such as the number of parties and the levels of territorial differentiation in party strength. The role of political parties themselves as institutions in their own right has tended to be downplayed in much of this work.

A recent expression of the cleavage structure approach is Daniele Caramani's account of progressive 'nationalization' of electoral behaviour and party competition in European democracies in the twentieth century (2004). Caramani shows how cleavages related to distinctive territorial locations such as ethnicity or regional identitywere gradually overridden by 'functional' cleavages, such as socio-economic status, which drove citizens to mobilize across territorial divides within the nation state. In line with the tradition initiated by Lipset and Rokkan (1967), Caramani emphasizes the stability of party systems and the cleavage structures they emerged to represent, as patterns of party competition become 'frozen' by the effects of electoral systems and the 'encapsulation' of social interests by entrenched party organizations.

This cleavage-centred approach has obvious strengths. As Caramani shows beyond doubt, electoral competition in Western European states indeed became steadily more 'nationalized' as democracy consolidate. However there are numerous examples of the apparent reversal of this trend, as territorial politics has enjoyed a

sustained resurgence in countries such as Belgium, Italy, Spain and the United Kingdom. The cleavage-centred approach does not generate any obvious explanation for these developments, and Caramani dismisses disconfirming cases as exceptions to the inexorable trend.

The rival approach emphasizing political institutions draws on the abundant literature on electoral systems and their party system effects. Chhibber and Kollman (2004) build on Gary Cox's (1997) formalization of the reductive effect of majoritarian electoral systems on the number of parties in the party system, introducing the level of political decentralization as a further institutional variable affecting party aggregation or fragmentation. Chhibber and Kollman contend that aggregation is driven at least in part by the territorial level at which the most important political decisions are taken: where key issues are addressed at the level of the nation-state, candidates will have a strong incentive to join together across districts forming parties which can coordinate in the national political institutions to defend the interests of their voters. If key decisions are taken at the regional level, the incentives for aggregation beyond this level diminish and parties will be more likely to remain regional in their scope.

This approach is more flexible than the cleavage-based alternative, since institutional changes – from whatever source – can produce a variety of party system effects, and can therefore accommodate the fluctuations in the degree of party system aggregation over time observed by Chhibber and Kollman (2004: Ch.4). In contrast to the cleavage-centred approach, it implies that decentralizing reforms will tend to increase party system fragmentation by making regional-based parties increasingly viable. Empirically, variations in party aggregation do indeed appear to follow

decentralizing reforms in the countries they study. But this argument has two important limitations.

First, it treats decentralizing institutional change as essentially exogenous to party system dynamics, failing properly to consider the ways in which party competition can be an important cause of decentralizing reforms. This is evident in their empirically dubious account of the British case, which implies that the emergence of Scottish and Welsh nationalist parties in the 1970s was triggered by central government plans to devolve more power to local governments, rather than the more plausible conventional account that it was precisely the lack of any significant political decentralization which provoked the nationalist challenge. While there are strong theoretical and empirical grounds for accepting that decentralization can lead to further fragmentation of the party system, in some cases this decentralization is initiated in response to a decline in voter and candidate aggregation which has other causes.

Second, by limiting observations on the effect of decentralization to the raw number of parties in the party system, Chhibber and Kollman neglect the important role of parties as organizations. Parties play a key role in detecting demands for decentralization and initiating institutional reforms, either in response to centrifugal pressures, or for other reasons. Parties can also absorb and filter the disaggregating effects of institutional reforms by adapting their political message and strategy, and even their organizational structures, in order to maintain their electoral position (Hopkin 2003). In other words, parties may, by interpreting popular demands and sensing strategic opportunity, be the initiators of decentralizing reforms, whilst their ability to adapt to changing institutional incentives can mitigate the degree to which these reforms fragment the party system.

This article therefore focuses firmly on political parties themselves. It looks at parties' role in triggering institutional change, and examines the ways in which decentralizing reforms affect party organizations, by changing the incentive structures facing party actors and altering the functional usefulness of particular territorial structures. The article shows that parties do change their organizations in response to institutional reforms, but that these changes are filtered by the established procedures, structures and traditions of the parties themselves. Moreover, parties may initiate institutional changes in their own image, decentralizing power in order to resolve internal differences and hold together a heterogeneous electoral base. Party system characteristics cannot therefore by 'read off' from the shape of the state's territorial institutions, nor will decentralizing reforms necessarily lead to increased party system fragmentation (Hopkin and Bradbury 2006). Close attention to the autonomous role of the political parties is essential to understanding the causes and consequences of decentralization. The empirical account that follows analyzes decentralization from this party-centred perspective.

The Labour Party in Britain: Squaring the Circle of Devolution

Proposing Devolution: Electoral Strategy and Internal Resistance

The case of the British Labour Party is an excellent example of the complex nature of the relationship between decentralization and party politics. Labour has emerged as both the key proponent of devolution in the UK, at the same time as being the party most affected by its own reforms. But the history of devolution in contemporary Britain, and Labour's response to institutional change, reveal the limitations of the explanations based solely on cleavages or institutional incentives.

Labour's support for devolution in late 20th century Britain was not the result of instinctive sympathy for Scottish and Welsh national claims, but instead a response to the threat posed to Labour's electoral dominance of those countries by Scottish and Welsh nationalist parties from the early 1970s. The growing support for Plaid Cymru and the Scottish National Party marked a departure from the stable patterns of party competition in post-war Britain. But this departure did not result from any substantive decentralizing reforms; the reorganization of local government in the early 1970s which Chhibber and Kollman (2004: 126-28) interpret as a signal to nationalist parties of future reform did not transfer any significant powers to the meso level, and affected English local authorities as well as those in Scotland and Wales. Support for devolution was absent from Labour's electoral programme in the February 1974 election, but shortly before a second election in October of that year the Labour government published a hurriedly prepared proposal for devolution in Scotland and Wales. This move had a clear strategic electoral motive, the hope being that by embracing devolution, support for nationalist parties could be pinned back and Labour could reaffirm its electoral strength in those countries.

Labour's sudden conversion to devolution had little to do with the political preferences of its own grassroots membership, and this was clearly demonstrated by the resistance to the policy from Labour MPs representing Scottish and Welsh, as well as English, constituencies. Welsh opponents to devolution in Parliament demanded a prior referendum so they could campaign against the reform without overturning the government, whilst one Scottish Labour MP established a 'Labour Vote No' campaign against devolution, and mobilized opposition to it on the basis that it would undermine parliamentary sovereignty. Opposition was particularly strong in Wales, where a majority of local party organizations were opposed to the proposed

devolution (Bogdanor 1999: 193) and the referendum over the proposal held in 1979 failed miserably there (almost 80% of voters opposing the reform). Devolution ran contrary to the centralizing implications of key post-war Labour policies such as nationalized industry and a welfare state based on equal entitlements for all citizens. Labour's own ideological doubts over devolution, added to the weakness of the 1974-79 government and its lack of wider parliamentary support, blocked decentralizing reform, and contributed to an election defeat which took decentralization off the agenda until the 1990s.

The background to the 1998 devolution reforms reveals important changes to Labour's approach, with the party in Scotland developing a solid commitment to devolution and working with other parties to prepare for it, and Labour in Wales – rather more slowly - overcoming its past reluctance, with most of the party accepting the devolution proposals put together in the late 1980s. The persistence of electoral support for nationalist parties in this period represents a sustained reversal of the progressive 'nationalization' which Caramani argues to be a structural feature of electoral politics in Western Europe. Moreover, it occurred in a period of heightened centralization of political decision-making under Margaret Thatcher, whose government repealed the devolution acts, introduced fiscal restrictions on local governments, introduced restrictions on local councils' roles in social housing and educational policy, and simply abolished some of the larger local metropolitan authorities; a set of circumstances which Chhibber and Kollman's thesis would associate with a decline in non-statewide political parties. Thatcher's centralizing approach and instinctive lack of sympathy with nationalist claims not only coexisted with consistently strong electoral performances for nationalist parties, but also with a

growing consensus amongst the statewide opposition parties (Labour and the Liberal Democrats) in favour of devolution.

An increasing concentration of political power around the central state institutions appeared to strengthen the hand of proponents of devolution within the Labour party (Keating 2003: 8). There is little empirical support for the interpretation offered by Chhibber and Kollman that 'authority devolved in Britain between 1970 and 1993' (2004: 128), an observation that could in principle explain the persistence of nationalist parties, but is difficult to square with the Thatcher government's aggressive assertion of central control over local policy-making. In short, party system change in post-1970 Britain destabilized the cleavage-based two party system before any institutional change, and Labour adopted devolution as a policy initially in response to the electoral threat this posed, and later through a realization that the centralized state was no longer acceptable to its own voters, particularly in Scotland.

The Labour Party On the Eve of Devolution: Modernization and Centralization

Decentralization creates new spheres of political action at the sub-state level, creating increased incentives for voters and politicians to aggregate at the sub-state, rather than the statewide, level. One implication of this institutionalist argument is the growth in the number of parties in the party system, but another equally plausible one – relatively under-researched at present – is that statewide parties may continue to aggregate votes at the level of the nation-state, whilst conceding greater autonomy to the sub-national levels of the party organization (Hopkin 2003). If this is the case, then the effect of decentralization may be strong, but may not be reflected in changes

in the number of parties gaining significant vote shares, as existing statewide parties adapt to the new institutions.

The British Labour party in the early 21st century is a useful laboratory of party adaptation to institutional change. Its history is that of a relatively centralized party in territorial terms, since the key decision-making structures in the party were all 'national' – state-wide – in scope. The party constitution concentrated decisional power around national institutions, namely the annual party conference, the National Executive Committee (NEC), and the Parliamentary Labour Party (PLP); there was no specific regional or territorial representation in these bodies. The Scottish and Welsh Labour parties did have their own formal structures, but these structures had no real autonomy; there was not even a Scottish or Welsh party leader (Hopkin and Bradbury 2006). Pressures for internal decentralization of power resulting from devolution ran against the organizational traditions and routines of the Labour party.

By the time devolution was introduced in the late 1990s, the Labour party had undergone a process of organizational change which tended to centralize power still further around the party's statewide leadership (Webb 1994, Russell 2005: 191-98). On the other, the influence of activist grassroots members of the Constituency Labour Parties – the local branches – was hollowed out to the benefit of the party's passive membership, by the introduction of membership ballots for the selection of leaders, parliamentary candidates and NEC members, a move which weakened the most natural sources of internal dissent (Norris and Lovenduski 1995, Hopkin 2001, Russell 2005). The energetic approach taken by Tony Blair and his media advisors to ensuring the party presented a unified image also had centralizing consequences, with Labour public figures supplied with constant advice and instructions on the line the party adopted on any given issue. The heavy emphasis on avoiding intra-party

divisions on policy issues was inconsistent with the logic of devolution, which implied that distinctive policy choices in Scotland and Wales should be accommodated.

After Devolution: The Centralized Party in the Decentralized State

The tension between the electoral and institutional logic of devolution and Labour's centralist traditions initially produced several examples of open conflict. The Scotland and Wales Acts themselves passed through Parliament without provoking serious internal battles, although the referendum held in Wales came close to defeat. But the implementation of devolution involved immediate elections to the new assemblies of Scotland and Wales, which meant choosing candidates for the new bodies, and leaders for the party delegations in them, decisive events which would help determine the consequences of devolution for the internal dynamics of the Labour party. Candidate selection followed a similar process to that used for Westminster and European elections, with membership ballots to select from shortlists presented by the party governing bodies. Significant powers over candidate selection remained in the hands of the centre (particularly the NEC role in approving selection procedures), but they were not exercised, and the national leadership hoped to achieve its goals in candidate selection through its allies at the devolved level (Laffin, Shaw and Taylor 2007: 95).

This emphasis on exercising leadership authority by proxy meant that a great deal rode on the choice of leadership figures at the devolved level. Before devolution, there was no specific leadership position for the Labour party in Scotland and Wales. After devolution, the party needed leadership figures within the devolved assemblies

who would lead the Labour delegation there and, if the party won power, lead the executive. These leaders would have a high profile, and a platform to develop distinctive policies which would have ramifications for the party's electoral strategy at the UK level.

The national leadership therefore took a close interest, and intervened decisively when Ron Davies, Secretary of State for Wales and putative First Secretary of the Welsh Assembly, had to resign for personal reasons shortly before the first devolved elections. The most popular figure in the Welsh grassroots party, Rhodri Morgan, was opposed by the centre and Alun Michael, a close ally of Tony Blair, was elected thanks to strong support from the Trade Unions and Welsh Westminster MPs (who constituted two thirds of the electoral college), in a process widely denounced as an imposition from London. The limits of this interventionism were almost immediately exposed (Thomas and Laffin 2001): after only a few months in office, Michael was forced out by a no confidence motion. His successor, Morgan, wasted no time in asserting his independence from London, coining the slogan of 'clear red water' between Welsh Labour and Tony Blair's New Labour. Similarly, clumsy and unsuccessful attempts to block Ken Livingstone's selection as Labour candidate for Mayor of London[1] also rebounded as Livingstone won the election as an independent, and maintaining sufficient popularity as Mayor for Labour to invite him back into the party for his successful re-election campaign in 2004.

These developments, coupled with leadership instability in the Scottish party, confirm that devolution has an observable effect on internal party dynamics: leadership issues at the level of the Scottish and Welsh party organizations had seldom provoked such high-profile conflict before the reforms. As the 'party-centred' approach would predict, the transfer of political responsibilities from the central

government to the meso level, and the electoral legitimacy enjoyed by subnational elites in the new institutions, provided opportunities for sub-national leaders to enhance their power and status viz-a-viz the national party leadership (see also van Houten, in this issue). However these internal conflicts also reflect the party centre's reluctance to give these powers cheaply, and its use of formal and informal organizational resources to constrain sub-national elites, and lever reliable supporters into position where possible (Hopkin and Bradbury 2006). Existing party organizational arrangements are therefore crucial in determining the extent to which decentralization of state institutions is mirrored in the structures and practices of political parties, and the case of Labour in the first decade following the devolution provides an eloquent illustration.

Nevertheless, what is striking about devolution is how little the power transferred to sub-national elites affected the broader dynamics within the British Labour party. Certainly there were instances where the party leaders at the devolved level were able to draw on their new institutional resources to defy the national leadership, such as for example on free personal care for the elderly, introduced by the Labour-led Scottish Executive despite determined opposition from the Labour government in London (Shaw 2003). But even here, the limitations on the autonomy of the devolved party became evident: the Labour party leadership in London feared pressure on the national party to adopt the policy UK-wide, and responded to the Scottish Executive's proposal by withdrawing £23 million of funding for assistance to the elderly in Scotland provided by the UK Department of Work and Pensions.

On the whole, policy differentiation between the Labour party in the devolved institutions and the Labour government at the UK level remained within manageable parameters, and much of the policy divergence between levels was due to Labour

coalition partners (such as for example the Scottish policy on university tuition, driven by Liberal Democrat opposition to increased fees) (Keating 2003). Scottish Labour's campaign messages for the 2003 Scottish Parliament elections avoided any obvious inconsistency with the UK-wide Labour discourse, emphasizing measures against youth crime and anti-social behaviour, improvements to basic education, and policies to stimulate enterprise. Despite Welsh Labour's rejection of the Blairite 'New Labour' model in its campaign discourse, the practical policy divergences were few; the Welsh Assembly decided to finance free dental and eye care for its constituents, abolished charges for prescription drugs and, like Scotland, refused to institute 'foundation hospitals', a reorganization of the health service imposed on England by the Blair government. On the whole, devolution did not expose Labour to accusations of internal inconsistency over the most prominent policy issues.

Organizational developments within the Labour party present a picture of incremental change within relatively well defined parameters. The NEC retained its key role as interpreter and adjudicator of the party's organizational rules, but without any explicit recognition of the new status of the Scottish and Welsh parties: there are no seats in the Executive earmarked for the parties of the devolved territories (Laffin and Shaw 2007: 60). Similarly the party conference, in principle the ultimate source of political authority within the party, remained a national body with no formal recognition of the new reality of devolution. The major exception to this pattern of limited organizational change is the system of 'policy forums', organized at the English, Scottish and Welsh level, as well as the UK level, opening up space for differentiated Labour party policy in the different territories of the state. In practice however, this arrangement has not led to major policy divergence (Laffin and Shaw 2007: 64-5).

In sum, the initial experience of devolution did not fundamentally perturb the balance of power and organizational praxis of the Labour party. In the 1999-2007 period, Labour governments at the UK and devolved level were able to avoid open conflict, and policy divergences were contained within areas which did not threaten overall party cohesion.

The Spanish Socialists: Organizing for Multi-Level Politics

Party Origins: Federalism and Centralism

The PSOE (Spanish Socialist Workers Party) has existed since 1879, although in periods of war and dictatorship the party organization has undergone major, even catastrophic, upheavals. In particular, after 1939 the party was legally prohibited in Spain and its organizational headquarters moved to France, where it remained until the early 1970s. To this extent, although the party has a longer history than Labour in formal terms, these organizational discontinuities mean that in practice the PSOE was refounded almost *ex novo* in the 1970s, as the Franco dictatorship entered into decline.

Unlike its British counterpart, the PSOE has traditionally recognized territorial realities through a federal organizational structure, although this formal decentralization has often coexisted with high levels of *de facto* concentration of power around the party's central leadership in Madrid (Gangas 1995, Méndez 2000). The federal structure of the party, which gave the intermediate regional organization significant powers, was established by the party Congress of 1925, and revived when the PSOE formally reorganized in Spain in the early 1970s, establishing a formal

delegation of power to the party's regional federations which remained in the party statutes even though the central leadership effectively dominated the organization in its initial phase (Gangas 1995: 141).

Another aspect of the party's refoundation which influenced internal centre-periphery dynamics was the initial territorial fragmentation of socialist activism in Spain and the relative weakness of the PSOE's organization in the capital city, Madrid (Juliá 1997: 447-8). The areas where the party built up a significant presence in the dying phase of the dictatorship were predominantly peripheral provinces, namely Vizcaya (Bilbao) in the North and Seville in the South. Moreover, the socialist groups emerging in different parts of Spain collaborated with other opposition groups, many of which were 'nationalist' movements demanding autonomy for their territories. Nationalist movements in the Basque Country and Catalonia were key participants in the opposition to Franco, and the Socialists joined forces with these movements in alliances such as the 'Platajunta'. As a result, Socialist demands for democratization and left-wing socio-economic policies coexisted with demands for political decentralization and self-government of the 'historic nationalities', many of which were absorbed into the Socialists' programme[2].

This had important consequences for the organizational structure that emerged as the party mobilized support during the transition to democracy after Franco's death in 1975. The importance of nationalist demands in the mobilization of opposition to the dictatorship was particularly striking in the case of Catalonia, one of the 'historic nationalities' which had briefly enjoyed a Statute of Autonomy during the Second Republic prior to the Civil War. The PSOE organized there in the final phase of the dictatorship as the Catalan Federation of the PSOE (*Federació Catalana del PSOE*). However, two other groups with a clear Catalan nationalist agenda claimed the name

of Catalan Socialist Party (*Partit dels Socialistes de Catalunya*) - the PSC-Congrès and the PSC-Reagrupament. This division reflected the cleavage within the socialist 'family' in Catalonia between a 'Spanish' socialist movement which placed less emphasis on Catalan national claims, and a 'Catalanist' socialist movement which was at least equally concerned with Catalan self-government as with social reform. Because the Catalanist factions were able to resist the PSOE's aspiration to absorb them in the statewide party, a confederal arrangement was established in 1978 on the basis of a 'unity protocol' which created a delicate compromise between socialist unity and Catalan distinctiveness. The new party – the PSC-PSOE – was a sovereign organization, but which would participate in the statewide socialist project (Colomé 1989, Roller and van Houten 2003).

On a smaller scale, similar dynamics could be observed in other Spanish regions, where the PSOE coopted rival socialist groups into their organizations, some before the elections (such as the PSC groups and Convergencia Socialista de Madrid), others after (Juliá 1997: 476). A number of small alternative socialist parties, many of them regionally based, contested the 1977 elections as the Federation of Socialist Parties (FPS). The PSOE's strong electoral showing and greater international support allowed it to swallow up most of these regional parties after the 1977 elections, coopting their leaders by offering more attractive career opportunities (Gunther, Sani and Shabad 1986: 160-2). As a result, the PSOE federations in some regions adopted regionalist names, such as PSPV-PSOE in Valencia or the PSdeG-PSOE (Partido dos Socialistas de Galicia-PSOE) in Galicia (Juliá 1997: 515).

Perhaps surprisingly, in the Basque Country – where demands for self-government were as strong as in Catalonia, and accompanied by political violence – the PSOE federation was no more autonomous from the centre than in regions where

ethnoregionalist demands were limited. In contrast to Catalonia, the socialist activists who kept the party's presence alive in the Basque Country during the dictatorship were instrumental in the refoundation of the PSOE at the statewide level during the early 1970s, thus establishing a close link between centre and periphery inside the organization. With its roots in the industrialized, largely Spanish speaking communities of the Basque Country around Bilbao, the PSE (Partido Socialista de Euskadi) was to all effects a branch of the PSOE in the region, rather than a nationalist ally of the PSOE as in Catalonia (see for example Ross 1996: 493; Llera 1994; for the case of neighbouring Navarra see Barberà 2008). This more conflictual relationship between the PSOE and Basque nationalism contrasted with the Catalan case in both political and organizational terms.

During the transition to democracy, therefore, the PSOE emerged as a federal party with a formally decentralized structure, and with an exceptional arrangement in Catalonia where it was, in effect, represented by a separate (if not perhaps wholly independent [Roller and van Houten 2003]) party. Territorial differentiation and distinctiveness were formally recognized in the PSOE's developing organizational structure from the very beginning, before the process of decentralization of the Spanish state was underway.

The PSOE in the Transition: Centralizing the Party, Decentralizing the State

Despite the PSOE's history of internal federalism and initial enthusiasm for the decentralization of the monolithic Spanish state, some of the most important organizational developments of the party during the transition period involved an increasing concentration of power around the statewide party leadership. The initial

phase of party formation corresponded to a considerable degree to Panebianco's (1988) concept of territorial 'penetration', as the statewide leadership in Madrid sought to expand the presence of the PSOE throughout Spain. In December 1976 the PSOE had only 8000 members in the whole of Spain, and in many provinces it simply did not exist (Gunther, Sani and Shabad 1986: 72-3). Inevitably, with the pressure of having to find candidates and a campaigning structure throughout the state territory, the party leadership in Madrid was instrumental in establishing a grassroots presence in those provinces where the party was weakest, which established a relationship of subordination from the very beginning (Juliá 1997: 542).

A further centralizing impulse was the assertive approach of Felipe González and his leadership circle regarding internal dissent from ideological radicals in the party. Determined to adopt a more flexible, centrist electoral strategy, González pushed for a greater concentration of decisional power around the leader, with the 27th PSOE Congress in 1979 marking a turning point as Felipe González used a dramatic resignation to force through rule changes which enhanced the power of his supporters in the provincial delegations, leading to a growing centralization of power around the national leadership.

Contrary to the expectations of the rational choice institutionalist approach, this process of internal centralization was in stark conflict with the institutional development of the Spanish state in this period. The democratic government formed by centrist Adolfo Suárez after the 1977 elections quickly set up 13 provisional regional governments (*preautonomías*), establishing the principle of autonomous government for those regions and 'nationalities' within Spain that requested it. Between 1979 and 1983 the Spanish Parliament approved the various Statutes of Autonomy that created and regulated the new devolved institutions in what became 17

Autonomous Communities (*Comunidades autónomas*). The transfers of powers from the central government to the new autonomous governments took place first of all in the three key historic nationalities, and in Andalusia, but subsequently the bulk of policy competences allowed by the Constitution were transferred to all the 17 autonomous administrations (Colomer 1998, Aja 2003). In short, Spain embarked in 1977 on a progressive and profound decentralization of political and administrative functions affecting the whole of the state, which has been described as a process of 'federalization' (Moreno 2001). As well as devolving key policy areas to the regional level, these reforms involved the creation of a new tier of electoral politics in which statewide parties would have to compete for power.

The PSOE played a key role in promoting and implementing these decentralizing reforms. Although the Socialist leadership in the Cortes swiftly moderated its demands for self-determination and the dismantling of the centralized state once the 1977 democratic elections had passed, the PSOE supported the process of decentralization initiated by the Suárez governments, and presented a more enthusiastically pro-autonomy stance than its centre-right rivals UCD and AP, both reluctant to dismantle the centralized structure left by Franco. The PSOE's pro-decentralization stance was very successful during the transition in attracting voters with nationalist sympathies in Catalonia and Galicia, although far less so in the Basque Country where the PSE relied on the support of the Spanish-speaking working class (Gunther, Sani and Shabad 1986: Ch.9). At key points in the process, the Socialists even 'played the regionalist card' for electoral gain, for example refusing to back the Suárez government's plan to impose a restrictive clause in the Galician Statute, and then opposing Suárez's plan to offer more limited autonomy to Andalusia. In so doing, the PSOE not only consolidated its electoral base in the South

(threatened by the regionalist rival Partido Socialista Andaluz), but also associated itself with the most expansive reading of the constitutional provisions for regional autonomy.

After the shock of the attempted coup in February 1981, the party quickly tempered its decentralizing zeal and supported the UCD government in passing legislation (the Law for Harmonization of the Autonomy Process LOAPA, later revoked by the constitutional court) to slow the pace of reform, generalize the model of the 'historic nationalities' to the rest of the Autonomous Communities, and reaffirm the supremacy of central government (a decision which caused internal tensions in the Catalan PSC). Moreover, the PSOE also supported a change in parliamentary rules which removed the Basque and Catalan Socialists' right to form independent parliamentary groups in the Spanish Congress, a move which was again particularly resented, although ultimately accepted, by the Catalan Socialists. But the transition period was on the whole characterized by Socialist support for rapid decentralization, at the same time as the PSOE's leaders sought to consolidate and centralize control over the party organization.

The PSOE in Power and the 'Federalization of Spain'

The PSOE's trajectory once in government after 1982 once again calls into question any straightforward relationship between the territorial structure of the state and party organizational phenomena. Whilst the party initially favoured rapid decentralization and recognition of Spain's plurinational identities, the PSOE's assumption of governing responsibilities from 1982 led to a marked shift in the party line. Felipe González's administration, which governed with an absolute majority

from 1982-1993, quickly adopted a conservative approach to institutional matters, whilst concentrating internal party power around the Council of Ministers. González's charismatic and highly personalized leadership made the PSOE a relatively centralized organization through the 1980s, with the government dominating the party and regional party elites subordinated to the national leadership. In 1984 the right of local branches to present independent motions for discussion by the Congress was rescinded (Méndez 2000: Ch.4). A further change in 1984 established that the Congresses of the regional federations of the party could not precede the statewide PSOE Congress, thus subordinating regional and provincial elites to the leadership's political strategy (Gangas 1995: 164). Candidate selection, although theoretically in the hands of provincial organizations, was effectively controlled by the executive through the use of its formal veto power, which was often deployed to prevent dissident groups from winning representation in the institutions (de Esteban & López Guerra 1982, Méndez 2000: 139 and Ch.5). Although the regional structures of the party were also strengthened in this period, as the decentralization process made coordination between provincial branches in the same region essential, the new regional organizations were created under the auspices of the statewide party leadership and responded faithfully to leadership directives with few exceptions (Méndez and Orte 2007: 6). The party, therefore, could not be said to function internally on federal lines, despite its formally federal structure.

At the same time, the Spanish state was undergoing a transformation, as the Statutes of Autonomy agreed during the transition were implemented and powers and resources transferred to the Autonomous Communities. This process ultimately led to a strengthening of the regional federations of the PSOE, particularly in the large Autonomous Communities of the South where the party was able to entrench itself in

power. Regional leaders such as Chaves in Andalusia, Rodríguez Ibarra in Extremadura and Bono in Castile-La Mancha had control over large regional budgets and were able to consolidate solid electoral bases and strong personal followings in their areas. These regional 'barons', however, were unable to realign power within the party until some time after González's resignation as party leader in 1996. Whilst González remained in charge, his personal authority and control of the central government machinery were sufficient to resolve most internal disputes and ensure cohesion between the party's territorial units. His resignation and replacement by Joaquín Almunia, forced through in the 1996 party congress with minimal consultation and no prior warning, confirms the survival of central control within the PSOE well after the Autonomous Communities had provided regional party federations with greater powers and resources.

A Federal Party At Last? The PSOE After González

As leader, González was able to contain pressures for internal decentralization, but the role of the 'barons' was enhanced by his departure, and by the late 1990s the PSOE was beginning to operate to some extent as a 'federalized' party, as its organizational rules envisaged. The adoption of internal 'primaries' to choose electoral candidates provided the regional federations with an opportunity to recalibrate the internal balance of power, with the Catalan and Southern federations successfully sponsoring an alternative candidate (the Catalan Josep Borrell) to Almunia (see Boix 1998, Hopkin 2001). Although Borrell failed to win enough support from the party bureaucracy to function effectively, the PSOE's miserable electoral defeat in 2000 opened up a further leadership contest. This time the

leadership was again settled by the manoeuvres of the PSC and the Southern 'barons' Bono and Chaves, who supported José Luis Rodríguez Zapatero. With the arrival of Zapatero, a new internal settlement was reached which gives fuller content to the federal statutes of the PSOE, whilst maintaining significant degrees of central leadership control.

The clearest illustration of this new situation is the process of regional reform which began with Zapatero's election victory in 2004. The Zapatero government, in stark contrast with the centralizing discourse of his conservative predecessor Aznar, adopted an open attitude to the possibility of further decentralization, in large part as a result of internal dynamics within the PSOE. Zapatero's election as leader in 2000 was the consequence of an agreement by key regional leaders to weaken the party's central authority by supporting a candidate who would be dependent on them for support (in particular, this agreement was aimed at preventing José Bono, one of the most powerful 'barons', from becoming leader). Regional leaders such as Maragall in Catalonia and Chaves in Andalusia were confident Zapatero could be controlled, and they negotiated a commitment from him to extend the powers of Autonomous Communities through reforms of the Statutes of Autonomy. This agreement was formalized in the 'Santillana del Mar declaration' of 2003, which committed the PSOE to supporting revised Statutes, a policy particularly important for Maragall whose campaign to win power in Catalonia rested on this proposal. More generally, Zapatero institutionalized regular consultations with the four most important regional leaders (the presidents of Andalusia, Catalonia, Castile-La Mancha, and Extremadura). This new 'quasi-federal' pattern of party management led conservative leader Aznar to mock the Socialists as no longer constituting a single party, but instead '17 different PSOEs'.

The development of a more decentralized mode of decision-making in the PSOE lends some support to the hypothesis that state decentralization will influence party organizations. The increasing strength of party regional 'barons', with the status and political resources deriving from their presidencies of large autonomous regional governments led to a rebalancing of the respective weights of the central and regional leaderships within the party. However, this rebalancing was neither dramatic nor definitive. The 2004 general election, won by Zapatero against all the odds, clearly strengthened the leaderships' position in the party and recalibrated the power relations between him and the regional leaders. Several examples can be cited. The revision of the Catalan Statute of Autonomy, initiated by Catalan President Maragall in the Catalan Parliament with the support of the radical Catalanist left party Esquerra Republicana, was amended in the Spanish Congress after a deal between Zapatero and the moderate Catalan nationalist Convergència i Unió, the main party of opposition to the PSC in the Catalan Parliament. In July 2007, the PSOE central executive vetoed a proposal by the Navarrese Socialists (PSN-PSOE) to form a regional government coalition with the Basque nationalist party Nafarroa Bai, a move which would have undermined Zapatero's hardline policy towards Basque terrorism after 2006.

In sum, PSOE leaders now have to consult with regional party federations and integrate powerful regional 'barons' into the decision-making process, but this has not entirely challenged the persistence of central leadership authority in the party. The new decentralized form of the Spanish state does provide incentives to decentralize power within parties, but organizational traditions and the survival of central executive power in the state places substantial limitations on this process.

Conclusions

This article has examined the complex relationship between institutional reform and party organizational dynamics in two prominent cases of decentralization in contemporary Western Europe. The main aim of this research has been to address the limitations of the 'cleavage-centred' and 'rational choice institutionalist' approaches to this relationship, and focus on the explanatory leverage to be gained from detailed analysis of the internal life of political parties. This 'party-centred' approach provides a fuller account of the dynamics of decentralization, for the simple reason that political parties play the dominant role in designing and legislating for such reforms, and therefore parties' decision-making processes are an important part of the story. But focusing on parties also allows us to understand the reasons why the expectations of the cleavage-centred and institutionalist theories are often not empirically confirmed.

The account of decentralization in the UK and Spain presented above provides ample evidence to support these claims. In the UK, Labour adopted a commitment to devolution as a response to the unexpected resurgence of the territorial cleavage, which threatened its electoral strongholds in Scotland and Wales. Electoral change was, contrary to both Caramani and Chhibber and Kollman's expectations, rapid and prior to any significant institutional change. Labour reacted strategically to head off the danger, but internal difficulties hampered the effort. When devolution was finally implemented, the expected decentralization in Labour's own organization did not materialize except to a fairly limited extent. This confirms that institutional changes are on the one hand mediated by parties' internal dynamics at their inception, and on the other that the effects of these changes on party behaviour may be limited, due to the inertias of long-standing party organizational arrangements.

In the Spanish case, the PSOE's position on the territorial organization of the state changed over time in ways which could not be deduced from simple observation of the institutional context. Enthusiastic support for decentralization during the transition period gave way to a more restrictive approach once the party won power in Madrid. The reasons for these changes lay essentially in the strategic convenience of mobilizing around this issue during the party's initial development, contrasted with the need to stabilize the state once the party was in government. In terms of internal organization, the PSOE began its post-Franco life as a formally federal party with very weak peripheral structures, and quickly adopted a more centralized approach to party management precisely at the time when the new Autonomous Communities were taking shape. The effects of decentralization on the PSOE's organization were real, but acted with a significant lag, Felipe González's strong leadership preventing significant internal decentralization until the late 1990s. The model emerging in the new century reflects the highly decentralized nature of the Spanish state, but the PSOE central leadership retains substantial power and authority and regional party federations win some, but not all, internal battles.

The two parties studied failed to decentralize their internal organization as much as might have been expected following the creation of new regional governments. This shows that the organizational inertias of statewide political parties can act as a break on the potentially centrifugal effects of decentralizing reforms. Of course, this focus on parties' internal organizational logics does not provide us with a simple key to understanding the causes and consequences of decentralization. On the contrary, it complicates the picture, making theory-generation far more challenging. There is much to be gained from the kind of reductive theories critiqued in this article, but they need to be complemented by an awareness of the fact that territorial politics

can emerge in apparently 'nationalized' political systems, and that parties are not unitary actors and often fail to react to incentives in the expected ways. Stable patterns of social division, and the incentives provided by institutions, are constraints within which parties operate, but parties have 'lives of their own'.

Notes

[1] Using similar tactics as in Wales: Livingstone decisively won the membership vote, but Trade Union and elected representatives in the elected college ensured the selection of his rival, New Labour loyalist Frank Dobson.

[2] Indeed the 1974 party Congress announced the PSOE's support for 'the right to self-determination for all the Iberian nationalities' (PSOE Congress 1974, cited in Gangas 1995: 137), a commitment which was heavily diluted during the course of the transition.

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