

Chapter One

INTRODUCTION: HOW NATION-STATES
ARE MADE

The concurrence of the German and Italian revolutions
will one day represent one of the most fruitful of
parallels for the philosophy of history.
—HEINRICH TREITSCHKE¹

FOR OVER THE PAST 130 years, Heinrich Treitschke's invitation to scholars to compare the German and Italian national revolutions has gone largely unanswered. Despite the turbulent parallels between nineteenth- and twentieth-century German and Italian political development, the two cases remain an underutilized comparison for the study of state formation, nationalism, and federalism. This study takes up Treitschke's appeal to compare the two great episodes of nineteenth-century European nation-state formation in order to address a puzzle: how are nation-states made, and what determines whether nation-state formation leads to the creation of federal or unitary patterns of governance?

In an age when the issues of state building and federalism have returned to the center stage of politics in discussions of the European Union and nation building more broadly, a comparative analysis of nineteenth-century European nation-state formation offers a fruitful way to investigate questions that are once again concerns for scholars and policymakers: What are the conditions under which a new political entity is created? What determines the institutional form of that entity? What are the conditions under which federalism can be created? In moments of institutional founding, how much impact do political leaders actually have in designing political institutions? Can political leaders who seek federalism simply adopt a constitution that guarantees federalism? Can a federal constitution be violently imposed? Or must it emerge "bottom up" from a collection of symmetrically powerful subunits negotiating themselves into existence?

This study focuses on Europe during the nineteenth century because it is a period that casts new light on these issues. Though the rise of nationalism is normally attributed to the French Revolution, it was in fact during a decisive period between 1830 and 1880 in Europe, North America, and South America that many contemporary nation-states were created

through the dual processes of imperial disintegration and national integration. Left standing in Europe were the new modern creations of Greece, Belgium, Italy, Germany, Bulgaria, and Romania.² This period that I call the “national moment” transformed the political map of Europe, North America, and South America. The political systems that emerged out of this set of nearly simultaneous experiences of nation-state formation were marked by a wide array of institutional forms that provide a diverse set of empirical cases for contemporary scholars of political development.

In particular, in one area of nation-state structure—the institutionalized territorial distribution of power between national and subnational governments—the new nation-states of the late nineteenth century displayed an institutional diversity that raises the question of how nation-states are formed and how the relationship between national and subnational governments comes to be established. While some newly formed polities such as Germany and Canada became explicitly *federal* political systems, others such as Italy and Belgium became classically *unitary* systems. In federal systems, like Germany and Canada, regional states were absorbed but remained intact as constitutionally sovereign parts in the larger “national” political framework: regional governments had formal access to the national government, discretion over public finance (i.e., taxing and spending), and administrative autonomy. By contrast, in states such as Italy and Belgium, any existing regional governments were erased from the map as sovereign entities and left without formal access to the new national governments, without public finance discretion, and without formal administrative autonomy. While experiencing a similar timing in their formation, the new nation-states of the nineteenth century experienced divergent institutional political arrangements of territorial governance after national unification. That both federal and unitary systems were the products of these institution-building experiments raises a deeper theoretical paradox of federalism’s origins that is the central question of this book: How can a state-building political core that seeks to integrate its neighbors be strong enough to form a larger nation-state, but also not be too strong to entirely absorb and erase existing units, thereby creating a unitary nation-state? If the core is too unyielding, will not a unitary system result? If too accommodating, will not a union be impossible to forge in the first place?³

In brief, I argue that to explain why federal and unitary nation-states form, we must answer two analytically separate questions: why do nation-states form? Why do nation-states take on unitary or federal structures? The first part of this study answers the first question. The second answers the second question to argue that once a process of national unification is under way, the way out of the paradox of federalism’s origins for political leaders with federal aspirations is for the political core to absorb states

with high levels of what I call “infrastructural capacity”—the ability to tax, maintain order, regulate society, and generally govern their societies.⁴ If a political core absorbs these types of states, then the potentially contentious relationship of a political core and its subunits that makes federations so difficult to construct can be overcome. With highly infrastructural states in place, a process of primarily negotiated nation-state formation is possible in which authority is conceded to the subunits. Why? Only subunits with high levels of infrastructural capacity can deliver the gains to the core and the subunits that were sought with the project of national unification the first place. If, by contrast, a political core—whether militarily strong or weak—begins the process of absorbing states that do not have this infrastructural capacity, then a more difficult relationship between core and subunits emerges. Since absorbed states are perceived as not able to deliver the benefits of national unification, they are viewed simply as an impediment to unification. This makes negotiation less likely, resulting in a path of nation-state formation through *conquest*, and the creation of a unitary political system. In order to explain whether nation-state makers adopt federal or unitary structures of governance, a central ironic lesson of this book emerges: If state makers seek federalism but absorb infrastructurally underdeveloped states, they may find themselves constrained by the domestic governance structures of the very states they incorporate in the project of national unification.

FEDERALISM’S ORIGINS, INSTITUTION BUILDING, AND EUROPEAN NATION-STATE FORMATION

The study of federalism’s origins is particularly important for at least two reasons. First, in recent years, federalism has been increasingly viewed as an institutional solution to a broad range of problems. Some scholars such as Barry Weingast have highlighted the positive impact of federalism on the creation and sustaining of free markets.⁵ Others, such as Jonathan Rodden and Erik Wibbels, have pointed to the potential benefits and pitfalls of federalism for fiscal performance, the growth of government, and economic performance more broadly.⁶ Still others, such as Michael Hechter and Nancy Bermeo, have argued that federal structures, when contrasted with unitary patterns of governance, have a broad set of beneficial effects for accommodating minorities, reducing ethnic conflict, and holding nation-states together.⁷ Not only scholars but also policymakers, international institutions, and political leaders increasingly view federalism as a potential solution to a diverse range of problems.⁸ Though we know a great deal about federalism’s consequences, our understanding of federalism’s causes remains relatively underdeveloped. If federalism is such

a critical potential institutional device, what are the conditions under which, and processes by which, nation-state makers can actually adopt this institutional form? A literature has begun to develop that explores the *sustainability* of federal political systems. But less attention has focused on the *origins* of federalism.⁹ Can a federal constitution be imposed in any institutional, cultural, socioeconomic context? Or must federalism be negotiated from within? What are the pathways by which political leaders can move their polity in the direction of federalism? How, in the process of nation-state formation, does the bundle of federal institutions rather than unitary institutions emerge?

Second, the study of state formation and federalism's origins contributes to our understanding of the political development of Europe itself. Though scholars of European political development have long noted the presence of national institutional diversity across the continent of Europe, little comparative attention has been paid to the important and persistent divide among federal and unitary nation-states in the development of Europe. To explain the origins and persistence of other macro institutional differences, there has developed a wide-ranging scholarship in the tradition of Alexander Gerschenkron and Barrington Moore that identifies how diverse pathways of nation-state formation have given rise to outcomes such as the nature of national patterns of absolutism, regime type, the national organization of capitalism, and the choice of electoral institutions.¹⁰ One area that has oddly remained out of the focus of scholars' attention is the "federal-unitary divide"—the presence of four federal states and thirteen unitary states among the seventeen largest states of contemporary Europe. By first examining two key cases of nineteenth-century Germany and Italy and then in the last chapter placing these cases in the broader context of the seventeen largest cases of western Europe, this study explores the source of this diversity in the structure of European nation-states, generating insights that potentially travel well beyond Europe's borders.

CONCEPTS, RESEARCH QUESTIONS, AND EXPECTATIONS OF EXISTING THEORY

Before undertaking an explanation of nation-state formation and federalism, I need to provide some definitions. By *nation-state*, I refer to the specific set of sovereign territorial units that emerged in Europe, North America, and South America after the French Revolution, that were modeled on the French and British national experiences, and that were neither absolutist states nor multinational imperial orders. They were instead novel "national" amalgams of civic, ethnic, and state modes of organiza-

tion and identification.¹¹ The definition of *federalism* is more contested. Some scholars define federalism in cultural or ideological terms.¹² Others have expanded the definition to incorporate as necessary components such concepts as “democracy” or even “political stability.”¹³ I find it more useful, when engaging in empirically based social scientific analysis, to define “federal” nation-states as those with subnational sovereign governments that possess three *constitutionally embedded* institutional characteristics that tend to cluster together: (1) formal and informal access of subnational governments in the decision-making process of national governments, (2) subnational public finance (taxing and spending) discretion, and (3) administrative autonomy of regional governments within a nation-state.¹⁴ My definition of federalism describes the relationship between a central government and its regional governments in strictly dichotomous terms: Even if subnational governments exist, only nation-states with *constitutionally protected* subunits qualify as federal. If only one level of government exists or subunits are not constitutionally protected, the entity is a unitary nation-state.¹⁵

The central research questions of this study are these: Under what conditions does a state-making core incorporate but leave existing subunits intact, creating a federal nation-state? Under what conditions does a state-making political core incorporate but dissolve the authority of regional governments to take on more unitary characteristics? Why, in some instances, can federalism be successfully constructed? Why, in other instances, does federalism fail to take root? Political science and historical scholarship on these questions has been dominated by accounts that focus on one of three main variables: *ideas*, *culture*, or *power*. Table 1.1 presents a schematic overview of each approach.

Each of the main approaches to the study of federalism offers prima facie convincing explanations of why a nation-state might adopt a “federal” pattern of center-periphery relations. The first approach, usually associated with scholars such as Michael Burgess, argues that the ideas of political leaders and constitutional designers as well as society at large are decisive in shaping the structure of political institutions in a nation-state.¹⁶ The second perspective takes history and culture seriously, focusing on the nature of cultural or ethnic divisions within a society. Though this second perspective usually emphasizes “primordial” differences in ethnicity, the argument can be extended to deep-seated cultural differences between regions or high levels of regional loyalty—even without “ethnic” roots—to argue that federal institutions will emerge in a polity with a regionally fragmented population with deep-seated regional loyalties.¹⁷ Finally, the third perspective, most closely associated with William Riker¹⁸ and, more recently, with a set of works that have formalized the logic of Riker’s argument, argue that federalism emerges and can sustain

TABLE 1.1
Overview of Competing Theoretical Expectations

<i>Theory</i>	<i>Causal Mechanism</i>	<i>Predicted Outcome</i>
“Ideational” theories of federalism (e.g., Burgess)	Configuration of ideas in a society	The greater the ideological commitment to decentralist ideas in a society, the more likely federalism
“Cultural-historical” theories of federalism (e.g., Umbach)	Configuration of cultural divisions in a society	The greater the prenational cultural independence of regions, the more likely federalism
“Social contract” theories of federalism (e.g., Riker)	Configuration of political power in a society	The militarily weaker the political center vis-à-vis the political periphery during the process of negotiating national unification, the more likely federalism

itself only as a delicate “bargain” between an equally powerful “center” and “periphery,” in which neither the center is strong enough “to overawe” the regions, nor the regions powerful enough to “undermine” national integration.¹⁹

OVERVIEW OF CASES: THE PUZZLE OF FEDERALISM’S
FAILURE IN ITALY AND ITS SUCCESS IN GERMANY

This study takes advantage of what is almost a natural experiment in the development of political institutions in nineteenth-century Europe to test these three hypotheses of nation-state formation and the causes of federalism. In the 1850s and 1860s, two states—Piedmont in Italy and Prussia in Germany—undertook the national unification of the Italian and German states under similar ideological, cultural, and power-structural conditions that ought to have led to similar institutional outcomes. After the failed democratic national revolutions of 1848 in Italy and Germany, the pragmatic political leadership of two militarily powerful states (Piedmont and Prussia) adopted the agenda of nationalism to expand each state’s zone of political control in Europe. The similarities between the two cases are

striking: First, as this work will make clear, the chief architects of national unification in Italy and Germany in the 1860s—Cavour and Bismarck—undertook their political projects with a similar *ideological* awareness of the dangers of excessive centralization, and in both cases there was a similar ideological commitment among key intellectual and political leaders to the notion of “federalism” as a solution to the history of regional divisions in both contexts, given international misgivings over the potential of creating two powerful and centralized states in the middle of Europe. Second, the deep-seated *cultural-historical* regional forces for and against national unification—rooted in regionally uneven economic gradients in both sets of territories—were similar. Third, in both cases two politically powerful regions sought to secure a position of dominance in the new nation-state after unification. In both cases, the goal of unification was the same: to assure geopolitical significance for the state while maintaining monarchical control.

Yet, despite these three similarities, the two late-developers of western Europe adopted very different patterns of territorial governance for each new nation-state. In Germany after 1866, the Prussian leadership, despite support in key sectors of the military for the conquest of southern Germany, combined their direct annexation of states of Germany’s center and north with a path of *negotiated unification* to create a system of federal territorial governance that formally institutionalized the other states as “regions” in the new political entity. The new political construction had three distinct dimensions: (1) a territorial chamber was constituted by representatives chosen by the regional monarchs of the formerly independent constituent states; (2) these member states retained a relatively high level of autonomy in public finance (taxing and spending) that also represented a high degree of policy autonomy; and (3) each of the member states retained control over its own independent administrative apparatus.

By contrast, in Italy, the 1859 Piedmontese leadership, despite widespread support for a federal political order, pursued *unification by conquest* across all of Italy in which Cavour’s Piedmont usurped all fiscal, policy, and jurisdictional authority and shifted power away from the seven Italian states to create a unitary Italy, with the Piedmontese parliament, constitution, and king at its core. Unlike Germany, the new Italian state formally erased region from its political map. With regard to the three dimensions above, the outcomes were these: (1) the formerly independent constituent states had no formal seat in a territorial chamber at the national level; (2) these states retained no public finance discretion; and (3) the formerly independent states retained limited administrative autonomy. Despite similar starting conditions in the factors normally thought to cause federalism, national unification resulted in two starkly divergent

outcomes in Italy and Germany: a unitary system in Italy and a federal system in Germany.²⁰

Italy's centralism and Germany's federalism are often mistakenly viewed, in retrospect, as inevitable features of each country's national political culture.²¹ But to assume that the institutional format that actually "won" in each case in the 1860s was the only possible outcome is to miss the important dynamics by which institutions are created. In a sort of retrospective "case-fitting," observers sometimes loosely cite the influence of the "Franco-Napoleonic model" in Italy and the long history of independent regions in Germany to explain why the patterns of territorial governance that emerged in the middle of the nineteenth century were nearly inevitable in each country.²² Yet such claims of inevitability do not stand up to closer analysis since Germany's and Italy's leading regional states were both independent before unification and were both organized in centralized prefectorial systems modeled after the French system of administration.²³ Moreover, such an account fails to specify the mechanisms of institutional creation. The formation of Germany's federalism and Italy's centralism, when the cases are viewed as a comparative pair, was surprising and highly contingent and in fact sharply challenges much of the conventional wisdom on the origins of federal political systems.²⁴ In table 1.2 we see an overview of the cases of Italian and German nation-state formation in terms of the three most widely recognized determinants of federal political order as well as in terms of the actual institutional outcomes in Italy and Germany after national unification.

First, as table 1.2 makes clear, if we consider idea-centered explanations (Burgess 1993a; 1993b) that argue that federalism is an institutional outcome in societies where an ideological predisposition for decentralized political organization predominates, our cases raise an empirical anomaly. As recent scholarship on nineteenth-century Germany and Italy has demonstrated, the ideology of federalism thrived in both cases.²⁵ In the German context, this is perhaps less surprising. As Stefan Oeter has written of nineteenth-century Germany, "For Bismarck and his contemporaries it was utterly self-evident that a union of the German states could only take a federal form."²⁶ Though most scholars recognize that decentralist ideas were a vibrant part of nineteenth-century German political culture, it is all too often forgotten that, as Binkley has noted of the 1860s in Italy, "the idea of confederation had been present in Italian statecraft for more than a generation, not as an exotic political invention but as a seemingly inevitable alternative to the situation established in 1815."²⁷ One important historian of nineteenth-century European history has similarly written of post-1815 Italy, "The political discussions and proposed solutions returned time and again to the question of unity or federalism in a manner unknown even in Germany."²⁸

TABLE 1.2
Existing Theory and Outcomes: Summary of Italian and German Cases

	<i>Germany</i>	<i>Italy</i>
<i>Potential explanation no. 1</i>		
Preunification ideological debate by elites	Mixed support for military conquest by Prussia; support for federal order	Mixed support for a federal order to accommodate different regions exists
<i>Potential explanation no. 2</i>		
Historical-cultural legacy	Strong regional loyalties	Strong regional loyalties
<i>Potential explanation no. 3</i>		
Distribution of political power	Prussia as “power center” with military capacity to conquer and establish a unitary state	Piedmont as “power center” with less military capacity to conquer and establish a unitary state
<i>Institutional outcome</i>		
Territorial chamber in new regime	Federal: territorial chamber represents states	Unitary: former independent states have no formal seat at national level
Public finance in new regime	Federal: member states have public finance autonomy	Unitary: former independent states have no public finance autonomy
Administrative system in new regime	Federal: member states retain control over an independent administrative system	Unitary: former independent states have no formal control over administrative system

Indeed, in the nineteenth century at least three self-consciously federalist intellectual strands existed in Italy: (1) the neo-Guelphs, such as the priest Vincenzo Gioberti, who advocated a confederation of princes under the lead of the pope;²⁹ (2) liberals such as Cattaneo and Ferrara who argued for the creation of a federal and democratic Italy;³⁰ and (3) regional autonomists, mostly found among prominent political leaders in Sicily and Italy’s south, who advocated a decentralized governance structure that would protect regional autonomy.³¹ In the realm of ideas, federalism

was a vibrant part of the political culture of Italy's intellectuals, thinkers, and visionaries.

But it was not only constitutional scholars and intellectuals who advocated federalism in Italy. Important political leaders, first and foremost Count Cavour himself, were frequently open advocates of a vague decentralization throughout the 1850s. As prime minister Count Cavour made an important speech in parliament in 1850 that reflected the dominant Piedmontese liberal-conservative consensus of the era by criticizing France's centralized prefectorial model. Even in the early 1860s, Cavour criticized excessive centralization when calling for more regionalist concessions to Italy's south.³² In his biography of Cavour, Mack Smith writes, "Cavour had always been a theoretical champion of decentralization and local self-government."³³ And, similarly, the "energetic group of men" that dominated the "Right" and Italian politics after Cavour's death until 1876, including Ricasoli, La Marmora, Minghetti, Lanza, Spaventa, Sella, and Peruzzi, were longtime advocates of the confederative principles of Gioberti and Balbo.³⁴ Yet by 1865 unforeseen events intervened, and federalism was abandoned in Italy. In short, though an ideological commitment to decentralization may perhaps be a *necessary* background condition for the creation of federal institutions, the failure of federalism in Italy in the 1860s shows that a widespread ideological predisposition for decentralized political organization is clearly not *sufficient* to guarantee the creation of a federal polity.

We confront similar problems when considering cultural-historical arguments asserting that, the greater the prenational historical embeddedness of independent regions and territorial divisions in a society, the more likely federalism will emerge. As table 1.2 also indicates, in Italy and Germany we find two similarly historically divided societies yet two different institutional outcomes. Recent important scholarship by Langewiesche, Umbach, and Confino has convincingly made the case that contemporary German federalism is in part a historical legacy of the Holy Roman Empire, a long history of regional autonomy, and the German Reich of 1871.³⁵ Though accurate in the German context, such accounts cannot explain why a similarly long history of independent city-states, regions, and provinces did not produce a federal political system in Italy in the 1860s or after 1945. Why did Italian city-states and regions, as the locus of deep allegiance and loyalty since the Middle Ages, not produce the same federal institutional outcome that was generated by German city-states and regions? Moreover, those who emphasize importance of the post-1815 German Confederation as a cause of German federalism overlook the frequent attempts in Italy after 1815 to forge a similarly organized Italian confederation. It is clear that the existence of a German Confederation contributed to the success of federalism after 1866, but why

was a confederation so difficult to construct in Italy despite repeated efforts? An explanation that accounts for German federalism with reference to the German Confederation must be able to explain, in a comparative framework, why the German Confederation made up of highly effective parliamentary monarchical states worked in Germany, but not in other contexts.³⁶ Again, we see that the explicit comparison of Italy and Germany dissipates the analytical power of conventional explanations.

Finally, with power-centered theories (Riker 1964) we also discover empirical difficulties when seeking to explain the success of federalism in Germany and its failure in Italy. Riker, whose work provides the basic assumptions of most political science scholarship on federalism, conceptualizes federalism as a “bargain” between regions. From this perspective, the success of the bargain is a function of the territorial distribution of “military power” in a society.³⁷ At the heart of this argument is an assumption that Riker himself identifies: A unifying political center’s first preference will always be a unitary system and the only factor that can thwart this goal is the “military incapacity” of the political center.³⁸ The expectations of this theory are clear and logical: the militarily stronger the political center vis-à-vis the regions, the less likely a federal structure, and conversely, the militarily weaker the political center vis-à-vis the regions, the more likely a federal or confederal structure.

But in Germany and Italy, we have a set of cases that runs directly counter to these theoretical expectations: Prussia, according to all traditional measures of military power, could have easily conquered southern Germany while Piedmont, according to these same measures, was much weaker vis-à-vis southern Italy. Several years before national unification, Prussia possessed 57 percent of the future German Reich’s population, 54 percent of all public expenditures on military by German states, and 54 percent of the future German Reich’s territory. By contrast, in the 1850s, Piedmont possessed only 6 percent of the future Italy’s population, only 29 percent of Italy’s soldiers, and only 22 percent of Italy’s territory.³⁹ Why did the militarily powerful state of Prussia, after defeating Austria and its southern German allies in 1866, establish a federal system of territorial governance, while the less militarily powerful and less dominant state of Piedmont, after defeating Austria in 1859, established a unitary system? Why did a strong center create a federal system and a relatively weak center create a unitary system? In short, the power-centered account, given the territorial distribution of military power in Germany and Italy, would predict precisely the opposite outcomes that we in fact find.

In sum, the three most important explanations of the genesis of federalism cannot account for the two most prominent cases of national unification in nineteenth-century Europe. This puzzle draws our attention to the more general explanatory weakness of each of these theoretical ap-

proaches. If the origins of the institutional divergence between Germany and Italy in the 1860s are not to be found exclusively in the configuration of *ideas, culture, or power* in each setting during national unification, where ought the analyst look?

THE ARGUMENT: OVERCOMING THE PARADOX
OF FEDERALISM'S ORIGINS

The puzzling cases of Germany and Italy and the limits of existing theory present an opportunity to rethink the theoretical paradox of federalism's origins presented at the outset—how can a political core be unyielding enough to forge a national government but be accommodating enough to make federal concessions to the subunits it absorbs? That Prussia was able to establish a federation while Piedmont was not can illuminate which factors and strategies of state formation help nation-state builders overcome the paradox of federalism's origins and which do not.

The argument I develop identifies a different route to overcoming the paradox of federalism's origins during the process of nation-state formation. While I agree with existing accounts that negotiated paths of nation-state formation tend to lead to federations, I offer two amendments to existing theory. First, I argue that the bargaining that gives rise to federations is not related to the military power of the center. Against the expectations of existing theory, limiting the military power of the political core to create symmetrically powerful units to negotiate a federal “contract” between the core and subunits is not the pathway to federalism. In fact, as the Prussian case demonstrates, militarily strong centers can sometimes make concessions that militarily weak centers cannot. Second, I argue that the key issue in the establishment of a federation is not the coercive strength of the center vis-à-vis the subunits, but instead the relative infrastructural capacity of the subunits vis-à-vis their *own* societies. To achieve federalism, credible negotiation partners are necessary, as are effective governance structures to govern *after* nation-state formation. If such actors exist, the paradox of federalism's origins is overcome in the moment of nation-state formation because the subunits deliver the precise governance benefits the political core seeks with unification, and a negotiated path of state formation that leads to federalism is possible. It is true that federations, once established, have the *effect* of balancing military competition among subunits as well as ameliorating ethnic or religious territorial cleavages, but one clear lesson of this book is that the *effects* of federalism cannot explain its *origins*.⁴⁰ Instead, the origins of federalism are found in the internal structure of the subunits of a potential federation at the moment of founding.⁴¹

In the following I present my central argument in greater detail, highlighting the different dimension of state capacity that I identify as the crucial factor in shaping nation-state structure and specifying the different set of mechanisms that gives rise to federal or unitary outcomes. Finally, I present the research design of my study, highlighting how through a series of focused controlled comparisons, we can clarify the conditions under which federalism is possible.

“Infrastructural Power” and the Pathway to Federalism

A central claim of this book is that to understand when federalism is possible we ought not focus on the relative “military power” of the constituent states, as most theory does. Instead, we should focus on what Michael Mann in his important book on state formation, calls “infrastructural power.” If *military power* refers to the social organization of physical force, deriving from the necessity of defense and aggression, *infrastructural power* describes state-society relations that determine the capacity of a central state to penetrate its territories and implement decisions logistically.⁴² The distinction between these two dimensions of state capacity is crucial. Existing theory posits that once a unifying state decides to unify with its neighbors, federalism emerges as the structure of the new larger nation-state only when the political center lacks the military capacity to “overawe” constituent states, and therefore turns to a federalizing negotiation with constituent states. The account I offer identifies a different precondition of the negotiation necessary to create federalism: highly developed infrastructural power of the subunits. The process of negotiation and bargaining between a “political center” and subunits necessary for the formation of federation *presupposes* subunits that possess high levels of infrastructural power—that is, high levels of (1) state rationalization, (2) state institutionalization, and (3) embeddedness of the state in society.⁴³ The point that forms the centerpiece of my argument is not that high “infrastructural power” means these states cannot be conquered. Rather, if the subunits of a potential federation are constitutional, parliamentary, and administratively modernized states, they can both serve as credible negotiation partners in a process of nation-state formation and can also govern in a federation afterwards, leading the way to a federal outcome. Not only do parliamentary states serve as more effective negotiation partners, but more importantly, states with highly developed infrastructures can deliver the precise benefits that nation-state builders seek: greater tax revenue, greater access to military manpower, and greater social stability. As a result, the relationship between subunits and core is perceived by the core’s political leadership as mutually beneficial, producing benefits that

can be captured at multiple levels of government, undoing the paradox of federalism's origins.⁴⁴

If, by contrast, the subunits of a potential federation are patrimonial states in the classic Weberian sense—lacking constitutions, parliaments, and rationalized systems of administration—negotiation usually breaks down and the prospects of self-governance after nation-state formation are limited, leading the way to unitary political institutions.⁴⁵ In this latter scenario, without credible negotiation partners, political leaders of the initiator of unification will turn to coercion, conquest, and the direct absorption of existing states. Moreover, when annexed states lack the basic governance capacity vis-à-vis society to carry out basic governance functions, political leaders in the political center are tempted by the prospects of sweeping away existing units, leading the way to greater centralization. As the evidence in this book will demonstrate, absorbed states with low infrastructural capacity prompt the political center's centralization of political power.

In short, we see that when new nation-states are forming and when political leaders seek federalism, it is not the military power of the political center that determines whether negotiation or conquest is adopted as a form of political integration. Instead, the negotiation necessary for federalism is possible only when the negotiation partners of potential federation are credible, institutionalized, and high infrastructural states. Moreover, it is only when subunits have the capacity to govern after nation-state formation, that the paradox of federalism's origins can be overcome.

*Comparative Historical Method and Findings:
Three Questions, Four Comparisons*

This study explicitly draws upon a methodological tradition in comparative historical analysis that is marked by three attributes: a concern with causal analysis, an emphasis on processes over time, and the use of systematic and contextualized comparisons.⁴⁶ The study is structured around three empirically overlapping but analytically separate questions that, as Edward Gibson and Tullia Falletti have noted,⁴⁷ Riker conflates: First, what gives rise to national or political unification of disparate political entities? Second, what determines the broad institutional form (i.e., federal or unitary) of these new, larger political entities? And, third, what determines the precise *type* of institutional form (e.g., decentralized or centralized federalism) these newly designed political entities take?⁴⁸

Since factors that are arguably the causes of national unification—for example, “external threat” or “the benefits of economic integration”—have been linked to the *type* of institutions adopted by a state (e.g., federalism), the literature on federalism's origins is marred by conceptual

conflation.⁴⁹ To disentangle these issues, each of the three questions must be answered separately to isolate the causes of national unification, the causes of federalism, and the causes of the type of federalism adopted by a state.⁵⁰ By systematically testing hypotheses for each, it is possible to come to answers that differ from existing analysis.

To answer the three questions that form the centerpiece of this study, I draw upon the empirical cases of nineteenth-century Germany and Italy and then place these cases into the context of the seventeen largest nation-states of western Europe to make four different systematic and controlled comparisons.⁵¹ I answer the *first* question—on the causes of national unification—by using two different comparisons simultaneously, a combination of what John Stuart Mill himself called the “method of difference” and the “method of agreement.”⁵² The purpose is to test two important hypotheses—one economic and the second political—on the causes of political unification. Following the advice of Skocpol and Somers, I first make explicit use of the method of agreement by searching for a common set of causes across two diverse cases that nevertheless have similar outcomes—the successful national unification of Italy and Germany in the 1860s and 1870s.⁵³ I argue that despite differences along dimensions that some theorists of national unification might consider decisive in determining if national unification occurs, nineteenth-century Germany and Italy experienced national unification for the same analytical reasons.⁵⁴ My account highlights the similar causal dynamics of the two cases despite other potentially decisive differences. But, as many methodological critics have noted, Mill’s method of agreement, if used alone, suffers from an artificial truncation on the dependent variable, weakening its analytical power. As a result, my search for the causes of national unification follows the recommendation of Skocpol and Somers and proceeds according to the method of difference by introducing focused contrasts *within* my two cases at the subnational level.⁵⁵ My analysis uses the controls of a subnational comparison of twenty-five German and Italian prenational states, by contrasting prenational regional states that supported national unification and regional states that resisted national unification. By testing the same set of hypotheses to explain national unification both *within* the two national cases as well as *across* the two national cases, my conclusions gain a level of confidence that would otherwise be more difficult to achieve. The design allows me to highlight the complex interaction of economic change and the motivations of political leaders that, taken together, gave rise to the “national critical juncture” of national unification in both cases.

The third comparison I undertake repeats Mill’s method of difference but with a different set of hypotheses to explore the *second* central question of this study—the causes of federal versus unitary outcomes.⁵⁶ Here, I sample on the independent variable, showing how apparently similar con-

texts—prenational nineteenth-century Germany and Italy—produced divergent institutional outcomes after national unification. By exploring the limits of three dominant theories of federalism’s origins with my focused comparison, I demonstrate with both quantitative and qualitative evidence how an alternative *institutional* or “state-centered” cause was decisive in structuring the strategies of German and Italian nation-state-building elites as they forged each new nation-state. As the following chapters will reveal, the “coming together” pathway of federalism was not the outcome of the military power of the subunits vis-à-vis each other, as classical theories of federalism’s origins suggest. Rather, I argue that the goals of state builders are constrained above all by an *institutional* inheritance and logic that have little to do with military capacity: the internal structure of the subunits of a new nation-state vis-à-vis their own societies at the very moment of nation-state formation. If the state-seeking core faced subunits with high levels of what “infrastructural capacity”—the ability to regulate society, to tax, to maintain order—then state builders can establish the federations they seek. If not, it is likely that a unitary governance structure will usurp power from the institutionally incapable units no matter how militarily strong or weak the “political center.” It is most useful to think of federalism, in this sense, as an outgrowth of a very specific path of nation-state formation in which state building and political development at the subnational level *precede* national unification, leaving in place a set of states that can both negotiate the terms of national unification and effectively govern *after* national unification.

Finally, a fourth comparison is made in the last chapter across seventeen national cases in western Europe to add nuance to my argument regarding the question of whether a “unitary” or “federal” pattern of governance is the outcome of nation-state building. Here, I allow ideology to vary: in some instances political leaders pushed for federalism and in other instances they did not. What happens to my argument in this instance? By extending the argument to the seventeen largest cases of western Europe, we see that the core argument of the book is sustained. But in the end, the findings suggest that two factors taken together are jointly sufficient to explain why states take on federal or unitary structures: the ideology of political founders and the political institutions of the subunits at the moment of polity formation.

LOOKING AHEAD

The remaining six chapters are a comparative historical study of national unification in Italy and Germany, focusing largely on the period 1815–71. In chapters 2–4, I trace the main contours of the national critical juncture

in Italy and Germany in which new polities were formed. In chapter 2, I present a quantitative analysis using subnational states of all of the prenational Italian and German states for which data are available. I use an original economic and political dataset on the regional states of Italy and Germany to carry out several statistical tests to identify the main factors that explain why some states pushed for national unification while other states resisted national unification. In chapters 3 and 4, I test the lessons from chapter 2 in an in-depth analysis of the regional bases of national unification in Italy and Germany, using a mixture of primary and secondary evidence. Here, again, we see the importance of interregional dynamics in explaining the emergence of new nation-states in Italy and Germany in the 1860s and 1870s.

In chapters 5 and 6, I turn my attention away from the conditions of national unification to explore issues of institutional design in Italy, examining the question of why federalism succeeded in Germany in 1871 while federalism failed in Italy in the early 1860s. In these two chapters, I first provide original quantitative evidence on differences in the levels of “political development” and “infrastructural capacity” in the Italian and German prenational states in the 1850s, using indicators that allow for a comparative assessment of infrastructural capacity in each case. Second, I trace how political leaders responded to these different prenational institutional settings as they carried out different strategies of national unification, creating two very different but relatively stable political orders by the 1870s. In the conclusion (chap. 7), I extend, test, and refine my argument with an analysis of seventeen national cases, showing how the argument developed works in a wider range of cases. Finally, in this last chapter I discuss the book’s broader theoretical contributions for the study of political institutions.