

## Italy's Multitier Regional Federalism Why and How It Was Built Like That

### 1. Introductory Remarks

- Summary of the presentation: after some introductory remarks, I will try to summarize the developments that have taken place over the last 60 years and which have turned Italy from a strictly unitary State into a regional state, possibly bound to become a federal state (at least no less than Spain or Germany are); then I will try to summarize the main features of what I label as «Italy's Multitier Regional Federalism today»; finally I will submit some considerations based upon the Italian experience which I hope might be of some interest for our audience in view of the Japanese decentralization project.
- I shall add a few notes about the striking resemblances of Japan's and Italy's institutional developments after WWII offer (amidst profound contextual differences). In fact it is somewhat amazing that both Italy and Japan have undergone a major political system crisis about 45 years after the war they infamously fought on the same side: these two badly defeated nations (along with Germany) saw their economies recover in a relatively short time and in a spectacular measure, both countries saw their role in the world determined by the East-West confrontation, they both developed a political system that can be described as «one-party dominant system» based upon the pivotal role of a conservative party who stayed in power for almost 50 years, a high level of cronyism and corruption, both underwent a relevant crisis in the Nineties, both attempted to face it by changing their electoral laws and experimented a significant reinforcement of the role of the prime minister, both witnessed the consequences of the resilience to change of many strong opponents and therefore faced a very long transition which might still not be over (I doubt it). Actually among the main differences in the developments after 1993 in Japan and Italy, is the fact that the Italian political system seems to have change more suddenly and more thoroughly (at least until the 2009 Japanese Diet elections); furthermore Italy has changed its Constitution precisely in order to foster a significant devolution of powers from the center to the Regions and to the municipalities.
- More than the description of how powers and competencies are allocated among the various tiers of government, what matters even more is these 60 years long process by which such a unitary State has been, and still is, being changed into something resembling a federal state. To this extent, I have nothing to teach but rather to report about the Italian experience.
- Some words about federalism in general: I'm not particularly interested to discuss here the theoretical aspects connected to the classification of constitutional forms (how can the Italian constitutional arrangements be labeled?). I entirely agree with prof. Levy's assumption that there is a whole spectrum of ways governmental authority can be allocated between central government and sub-national units... There are several real models; from these we can detect a given set of elements which more frequently occur; finally we can compare a chosen country's arrangements and try to determine where to place that country within the whole spectrum. If I were to take prof. Levy's scheme into account, I would place Italy somewhere in between «unitary with autonomy» and strictly «federal», given that Italy is and has been undergoing a devolutionary process which started in May 1946 and we don't know when and if it will stop.

- Finally, I would like to stress that the difference between federalism as a unification process [*coming together*, as Stepan 2001 says] (federalism as part of a ‘constitutive’ process in which previously independent states merge [Levy]) vs federalism as a devolutionary process [*holding together*, Stepan 2001] (as part of a decentralization process in which a formerly unitary state allocates power to sub-national units) truly is one of the most relevant factors to be taken into consideration. It has a cultural impact which can hardly be under-evaluated and which makes the real difference aside from any legal arrangement that might be adopted.

## 2. Historical and Institutional Background and Developments

- a. *A Nation unified in the XIX century under a strong unitary State model.* Italy is a latecomer amidst Europe’s largest nations, especially if compared to France, the United Kingdom and Spain. It was unified only in 1861 under the rule of a small Alpine State (the Kingdom of Sardinia), strongly influenced by the French culture: because of that and because of the necessity to effectively face counter-insurgences in the South, still hostile Austria and the opposition of the Catholic Church, the new Kingdom of Italy applied a rigidly unitary model both in legal terms and in its implementation. Mayors were not elected but nominated for many years until the last part of the XIX century and prefects (top central government representatives in the provinces) were extremely influential, always ready to employ all their means to determine the outcome of the elections of the deputies in Parliament in the constituencies under their control.
- b. *The height of centralization during Fascism.* While more and more powers had been recognized to the local authorities by the time World War I started (and this in connection with the industrialization of the country and the enlargement of the cities, as more and more crowded former peasants turned into blue collars and crowded the cities, requesting more public services), and Mayors had become elected officials (universal male suffrage was recognized in 1912), Fascism in its ideology and in its practice was the bearer of the most extreme statist political philosophy (along with Marxism-Leninism). Nothing could be even conceived out of the State. Therefore the idea was that local authorities could exist only as long as they would implement the policies decided by the central authorities with no room for adaptation, variation or autonomous interpretation: for this reason, among other provisions, a law passed during Fascism established that the 8.000 mayors were not supposed to be elected anymore but would be nominated by the prefect, after consultation with the Ministry of Interior when needed.
- c. *The 1948 Constitution.* The entire 1948 Constitution can be interpreted within the frame of an attempt to radically invert the authoritarian and statist policies of fascism; also under the influence of the Allied Nations, although more limited than in Germany and in Japan: their guidelines which the Italian Constituent Assembly was bound to abide to where to provide for the protection of human rights, a representative democracy, a wide decentralization and social, political and institutional pluralism.
  - i. The debate concerning to which extent the traditional unitary model should be abandoned proved to be one of the most excruciating; the «federal option» was seriously taken into consideration at the Constituent Assembly. In the end the choice fell on what was believed to be an intermediate model, bound to be labeled as the «regional model» along the example of the Spanish Constitution of 1931: it was meant to lay the foundations of a significant but limited devolution of powers. 15 Regions were going to be vested with *concurrent* law-making powers in respect of a set of enumerated matters. Italian *concurrent* law-making

power means that in the precisely defined matters – such as local police, welfare, health care, vocational education, tourism, regional transportation and roads, inland navigation, mines, spas, farming and forestry, artisanship, etc. Parliament would be in charge of establishing statutory general principles only (so called *framework laws*) while each Regional Council would be in charge of establishing by-laws meant to implement those principles within the boundary of each Region. It must be noted that according to the 1948 model, administrative functions would follow legislative powers (that is to say that the entity which was given law-making powers was also recognized as the “administrative” power: contrary to the German model, as described by Prof. Eissel, and to the one that was to take shape after the 2001 arrangements in Italy). A Constitutional Court was in charge of settling Central/Region disputes (for instance concerning the nature of general principles of Parliamentary provisions when contested by one or more Regions). However, while any parliamentary provision would enter into force and become binding pending a Court decision, regional laws would be suspended by a central cabinet decision until the Court’s sentence and would enter into force only if the Court would have decided the dispute favorably. Even the Fundamental Charters of the Regions, passed by each Regional Council, were to be approved by Parliament before entering into force.

- ii. These basic constitutional arrangements entailed some significant (nowadays unanimously acknowledged) flaws: (a) the new Regional system was not going to be reflected in the representative structure of the main central authorities: none of the two Chambers of the Italian Parliament would represent the Regions as such (like in the German *Bundesrat*) or the Regions on an equal footing (like in the *US Senate*); (b) along with the Regions, local authorities (Provinces and Municipalities) also received full constitutional recognition. (c) Furthermore, to the contrary of the German and the US situation, not only was what prof. Levy calls “the Dillon Rule” not going to be applied within each Region towards local authorities, but the Regions had no authority whatsoever to regulate either the Provinces nor the Municipalities within their territory (Parliament retained full and integral powers on them): this was the basis for the multitier system; (d) most important of all, the implementation of the constitutional provisions concerning the new Regions were supposed to be postponed until 1951: in fact it was delayed until 1970. These twenty years gave the municipalities the opportunity to re-establish themselves as the sole truly effective authority other than the central government.
- iii. It must be added that one year and a half before the Constitution entered into force (Jan. 1, 1948), a decree established in 1946 by the Sicily Region recognized special legislative powers to this region: a move meant to forestall some claims to assert the island’s independence from Italy. A similar status was later recognized to the other major Italian island (Sardinia), to a small area near France (Aosta Valley) and to Trento-South Tyrol (at the Austrian border): the latter in order to ensure a comprehensive protection of the two French and German speaking minorities in respect of post-war international treaties signed by a defeated Italy. In 1963, the same applied to the Region near former Yugoslavia (Friuli Venezia Giulia). These developments anticipated the birth of the so called «ordinary or standard» Regions featuring an identical legal framework directly established by the Constitution: the five «special» Regions each enjoy its specific legal framework with powers which go beyond those allocated to the ordinary regions. All this is very relevant to our discourse: first, because it tells us that from the very beginning the Italian Regional system has been significantly asymmetrical; second, because for over 20 years those were the only Regions truly in place; third, because one of the special Regions (Trentino-South Tyrol) includes two Regional Provinces, each enjoying significant powers so that one can say that the special Regions are five legally, but are six *de facto*; fourth, because no sub-national entity in Europe, as far as I know, enjoys such an extensive degree of self-government and so many powers as the province of Bozen (South Tyrol); this ensures the highest foreseeable

protection of a minority as it can be envisaged anywhere: a truly significant success of post-WWII Italy, often only known by comparative constitutional law experts which prevented South Tyrolean independence to become a hot issue (as it had started to become in the Sixties) and to possibly turn into a security issue as it has happened in less fortunate regions of Europe.

- d. *Subsequent developments and the late implementation of many of the most relevant Constitution's provisions.* Due to the establishment of the one, dominant party system, centered in the Christian Democratic party, which I already mentioned and due to the Cold War, the establishment of the 15 ordinary Regions was postponed until 1970. Italian society had changed thanks to the economical development of the previous twenty years and the Italian Communist party had developed into a basically social-democratic party. This significant delay was bound to influence what the Regions were to become no less than thirty years later. Furthermore the national party system was strong enough in the Seventies to influence the political and constitutional culture of all the newly established Regions: all of them passed Fundamental Charters one similar to the other; all of them had to wait many years before a partially autonomous regional political class would develop; all of them ended up sharing the same organizational flaws of the central administration: all the above, not to mention the formidable resistances to change offered by both central bureaucracies and personnel (executives did not want to lose power; employees simply did not want to risk to be ordered to move from one location to another). It took seven years just to complete a first significant transfer of administrative functions from central authorities to the new Regions and local authorities (1977). Paradoxically the establishment of the Regions came along with the most significant tax reform in Italian history (1973): the rationale of this reform was the opposite of what would have been coherent with an effective devolution of decision-making powers, as it was prompted by the needs of a ravenous welfare state at the time of its most spectacular expansion and by the necessity to make the revenues service more efficient. As a consequence, it featured an extremely high degree of centralization: in the end, 20 years later, it's great success originated in the Era of Devolution. It's not difficult to understand why: the share of GDP collected by the Central Revenue Service had risen from less than 25% to more than 44%! And when you ask your *average* citizen (including those who cheat or do not pay) to pay 20% more of their gross income to the state, and you do so in a relatively short time span, whatever the political regime you might have, you are surely going to get strong reactions!
- e. *The new trend towards devolution in the Nineties. Phase two of Italian Regionalism under way: a multiple step process.* A set of concurring causes stirred the crisis and the subsequent breakdown of the post-WWII Italian political system built around the pivotal role of the Christian Democrats (Dc) (Italy's largest party died after an agony of only two years). The fiscal and financial crisis, the fall of the Berlin wall, the strengthening of intra-European competition (thanks to the Maastricht Treaty), the parties' proven inability to innovate the regime, the loss of legitimacy of the Dc and its allies, the great inquiries run by the public prosecutors against the illegal financing of the parties: all this produced major political and institutional changes and was prompted also by the sudden success of a new political party (the Northern League) rooted in the rich and highly developed North of Italy claiming more autonomy, less taxation, less (central) bureaucracy, less transfer of resources produced in the North to the less developed South and in general a kind of rebellion against "Rome" (Italy's capital and political centre). Setting aside the developments in the party system and in the political institutions, the years which preceded the turn of the century saw a general trend towards the devolution of both administrative and decision-making powers from the centre

to both Regions and local authorities. It was a fairly consistent process studied by the following main phases:

- i. Step one: the centre-left cabinet led Mr Prodi first introduced a very broad devolution of administrative powers from the central state to the Regions and even more the Provinces and the Municipalities (1997-1998)
  - ii. Step two: Parliament changed the Constitution in order reinforce the political powers of the Regions; each ordinary Region was granted the right to regulate its electoral law and its political regime albeit within some limits dictated by the Constitution or by Parliamentary Statutes; furthermore each Region was ensured the power to pass its Fundamental Charter *without* previous Parliamentary approval (although under the potential scrutiny of the Constitutional Court); however at the same time Parliament introduced the direct election of the Presidents of the Regions thanks to a provisional rule bound to be applied until each Region would have passed its new Fundamental Charter (1999);
  - iii. Step three: to ensure that the previous administrative devolution would not be reversed, new constitutional rules concerning the relations between the Central Authorities, Regions, Provinces and Municipalities were passed (2001): Title V of the Italian Constitution was entirely revised, designing a multitier regionalism in which, along with the Regions, Metropolitan municipalities, Provinces, Municipalities were also constitutionally recognized; State's and Regions' legislative powers were allocated, inverting the 1948 application of the principle of enumerated matters: instead of enumerating what the Regions could do, now art. 117 of the It. Const. enumerates the Central State exclusive powers, all the others becoming either Regional only or *concurrent* (Parliament dictates the principles, each Regions applies them passing regional laws); at the same time the principle of subsidiarity was introduced in the Constitution for the first time and applied to administrative powers (the idea being that all administrative matters which Regional or Parliament Laws do not allocate elsewhere, are matters of competence of the Municipalities); finally the reform allowed more space for differentiation and asymmetry among Regions and among Municipalities giving up the traditional principle of uniformity;
  - iv. Step four: because the devolution process also needed to tackle the question of resources and their allocation, the implementation of the 2001 constitutional reform still depended on how the Parliament was to regulate the financial autonomy of Municipalities, Provinces, Metropolitan Municipalities and Regions (in respect of art. 119 It. Const.). After several years a new law was passed with the support of the opposition in the Spring of 2009: it contains the fundamental principles and the lengthy procedures to make the so-called «fiscal federalism» come true (fiscal federalism is considered a set of principles meant to ensure «fiscal decentralization»: a general normative framework for the assignment of functions to the different levels of government in conjunction with the appropriate fiscal instruments for carrying out these functions). It's a matter of resource sharing. This process, within the broader devolution process which had began at the end of the Nineties, will take no less than four years just to get started (2009-2013); it includes a detailed set of temporary measures which will be applied in the meantime, and which might well end up lasting a decade or more.
3. Italy's Multitier Regional Federalism today. It's time to describe the Italian Regional Federalism as it is today.
- It's a system which provides for a certain degree of differentiation among the various entities; this differentiation is bound to be enhanced in the future. A first differentiation is between “Special” and “Ordinary” (or Standard) Regions; Special Regions have slightly different powers and their Fundamental Charters are approved by a constitutional law passed by Parliament (this allows to recognize larger powers than to the “Ordinary Regions” whose

powers are directly established by the Constitution); among the Special Regions one (Trentino-South Tyrol) includes two Provinces (the Italian speaking Trentino and the German speaking South Tyrol) which in fact are like Special Regions themselves (and South Tyrol holds extremely extensive powers); since 2001 each Region is entitled to ask the Central authorities to be recognized additional specific powers; Regions hold legislative powers (see further).

- All the Regions, both Special and Ordinary, are entitled to determine their political institutions provided they respect the principles and rules established by the Constitution. They are also entitled to regulate their internal organization. Obviously they have their own budget and a limited power to levy taxes. By far the largest part of their budget is spent for the Health Service, which is regional.
- Who does what: the interaction of laws. Law making powers are shared by the Central Authorities and the Regions. Art. 117 It. Const. provides for two sets of enumerations: (A) it enumerates the matters which belong to Parliament only («the State shall have sole legislative power in the following matters»: foreign policy; asylum; citizenship; immigration; State-Church relations; armed forces and national security; savings, financial market regulation, protection of competition, currency – now a EU competence; national taxes and equalization of regional resources; national electoral laws; law and order; judiciary and civil and criminal codes; general rules on education; social security and pensions; local government and local-provincial elections; customs; weights and measures; protection of the environment; *determination of the basic standards of welfare related to the rights which must be guaranteed to all*). (B) it enumerates those matters which are subject to the concurrent legislation of both the Central authorities and the Regions (the list is too long to reproduce here but it includes matters like scientific and technological research, harbours, land-use and planning, saving- and regional banks, etcetera). In all those matters which are not included in any of the two lists «the Regions shall have sole legislative powers». The central Government is not allowed to issue by-laws except in the matters where it has sole legislative power (see A, above).
- Aside from the formal allocation of powers, it is relevant to note that in 2004, the Central Ministries and Agencies still employed 55% of the total public employees, while Regions, Provinces and Municipalities employed 45% (in Germany federal/central employees are around 11% only; and in Spain they are around 38%).
- Regions are recognized an international role: not only is each Region entitled to pass the by-laws meant to implement EU framework laws (*directives*), but they hold the right to take part in decisions pertaining to the elaboration of EU law; each Region within its field of competence may establish agreements with foreign States and other sub-national entities belonging to a foreign State.
- The territory of each Region but for two is divided into two or more Provinces whose governments are also directly elected; in the Special Regions, Provinces are regulated by a Regional Law, in the other Regions by a Parliamentary Statute which determines what they do and through which administrative powers; Provinces (there are 110 of them) do not have law-making powers. Municipalities (there are 8.100 of them) also cover the entire territory of the Nation; they also have a directly elected government and are regulated by a Parliamentary Statute (not in the Special Regions where they are regulated by a Regional law). Municipalities have functions allocated by the Centre (so called «necessary functions») as well as functions allocated by the Region and functions they freely choose to cope with. They do not have law-making powers but in respect of the principle of subsidiarity affirmed by art. 118 It. Const. all administrative functions belong to them except for those which a State or Regional law decides to allocate to a Province, a Region or the State.

- A Statute since 1990 (and the Constitution since 2001) have established a new sub-national and local authority, the *Metropolitan Municipality* meant to govern large suburban areas around main cities (like Rome, Milano, Torino, Venezia, Genova, Bologna, Firenze, Napoli, etc.: somewhat like the so called «designated cities» in Japan). Widespread resistances from smaller municipalities and provinces have hampered the implementation of this provision: still today no such Metropolitan Municipality (bound to combine the powers of both Provinces and Municipalities within the established boundaries) has become reality. A new Statute in 2009 has laid down more strict provisions which might re-start the whole process.
- Both after the first establishment of the Regions in the Seventies and after the 2001 constitutional reform, quite a few controversies have been raised by either a Region or the Central Government concerning the allocation of powers dictated by the Constitution. As it is often the case what politics was not able to decide in a clear way was decided by the Courts: in this case it is one of the major competences of the Italian Constitutional Court to decide those kind of controversies. It must be noted that the Italian Constitutional Court, which has a very respected record, is formed by 15 justices, all of them chosen by Central Authorities (one third by the President of the Republic, one third by the two Chambers, one third elected by the highest ranking members of the judiciary). In fact, while in the Seventies and Eighties the Court has been a major actor favoring the devolution process, in the most recent years it has shown a distinct tendency to interpret the 2001 reform in a way to introduce *de facto* a *supremacy clause* in favor of the Central Authorities vis-à-vis the Regions, notwithstanding the lack of any constitutional provision to that effect.
- It should be stressed that all Regional and Local governments are nowadays directly elected. Not only the assemblies but all the chief executives (Presidents of the Regions, Presidents of the Provinces, Mayors). It is also worth emphasizing that the direct election of the Presidents of the Regions was strongly urged by the regional political leaders for the specific purpose of granting regional governments the same degree of legitimation which mayors already had enjoyed since 1993. In many instances, the mayor of the capital city of the Region is much more popular than the President of the entire Region. This is easily explained: not only are the “Regions” much younger institutions than the Municipalities (which in Italy have a 900 year-old history), but like the *Bund* towards the *Länder* in Germany, they are mainly law and by-laws making institutions with a very thin administration and entertaining very little direct relations with the citizens, while their functions are administered in part by the Provinces and mostly by the Municipalities which have become more and more the face of the public administration as a whole towards both individuals and businesses.
- The very same legislators who passed the 1999 and 2001 pro-devolution constitutional reforms formally acknowledged that the reform would not be completed until Parliament and possibly the Constitutional Court would reflect in their composition the new relations between Central Authorities and sub-national entities. In the last ten years, dozens of proposals meant to turn the Second Chamber (the Senate) into a Chamber representing the Regions and/or the Regions and the Local Governments or Assemblies have been submitted but none has been approved. A project had been approved by Parliament in 2005 but then it was rejected by a popular referendum in June 2006. Some other bi-partisan attempts have been made later in 2007 but also without success. For what the Court is concerned, another 1998 bi-partisan project included a provision according to which three or four justices would be selected among legal experts nominated by the Regions: but this amendment was also not approved. It must be noted that in Italy, the Regions take part in the constitutional revision process in a particularly limited way: they can only ask for a referendum in case an amendment is passed by Parliament with a majority of less than two-thirds of the members (no referendum is allowed if the votes in favor pass that threshold).
- No central/sub-national arrangement can be 100% dual or 100% cooperative: some significant degree of cooperation is not only recommended but unavoidable. Italy is no

different when it comes to this rationale: this explains why, since the early Eighties, a system of «Conferences» has been set in place. These are frequent meetings summoned and chaired by the Prime minister (President of the Council of Minister, the Italian Cabinet) where the competent Ministers of the Cabinet meet the representatives of the Regional Governments (all 22 of them -Trentino-Sud Tyrol has three representatives - called *Conferenza Stato-Regioni*) and/or a delegation of the Municipalities and Provinces (20 additional members - called *Conferenza Unificata*) in order to discuss the most relevant common issues. The role of this dual forum could hardly be over-emphasized: in fact the law establishes that the *advice* and often the *consent* of either one or both Conferences are needed for the Cabinet to proceed on decisions concerning Regions and Local entities; this has turned the two meetings into the ideal setting for negotiations on the content of legislative proposals and the allocation of resources. To give an idea of the level of activity of these two Conferences, I shall add that they hold around 20 meetings a year each and they take respectively 325 and 120 decisions a year.

- Because of the centralization of the integral tax collection of 1973, both Regions and Local Authorities have been granted largely derivative resources unto now: that is to say that it was the National Budget which would allocate the necessary financial resources to all sub-national entities creating a system whereby there was a split between the function of levying taxes and the function of spending them. Although this trend was interrupted by the end of the Eighties, nowadays, Regions and Local Authorities still only cover no more than 55%-60% of their expenditures with their own resources and therefore heavily depend on the National Budget. National resources have been mostly allocated either according to the grant-in-aid system or based upon the previous year's amount (so-called *historical costs*). The implementation of the constitutional revision of 2001 through the new law on *fiscal federalism* is supposed to change all this thoroughly. To make an extremely complicated and sophisticated arrangement as simple as possible, the system should work as follows once in place:
  - i. Each Region and each local sub-unit will hold a relatively extensive power to levy taxes in a measure to fully cover its costs. These resources will come from taxes established by each authority or from a share of the main general tax items (income tax, for instance) levied within its territory.
  - ii. What Regions and local authorities actually do (the services they provide) will be categorized either as «pertaining to *essential services*» (services from which the protection of human rights depends) or «pertaining *unessential or dispensable services*» (all others)
  - iii. A *standard cost* for each *essential service* will be established and each Region and Local sub-unit will be granted enough resources to pay for those costs (the hope is to foster efficiency and good performances, because those who will be able to spend less for the same service will keep the difference, those who will spend more will have to pay for the difference)
  - iv. For what the *nonessential services* are concerned, limited equalization measures will be set in place in order to ensure that each single Region or Local sub-unit will be granted the resources to partially cover the difference between the local resources available and the cost of those services (these equalization measures will not be allowed to change the order among Regions: a Region placed 15<sup>th</sup> will not be allowed to jump let us say to the 14<sup>th</sup> place or above)
  - v. The Health Service will be financed separately.
  - vi. Central authorities will be allowed to allocate additional resources for special investments meant to equalize areas with significantly poorer infrastructures.
  - vii. Parliamentary Statutes will remain responsible for dictating the principles and the basic rules ensuring the co-ordination of National, Regional and local tax policies.



- viii. In particular all budgetary units (Central, Regional, Local) will draft their budgets and will keep their books according to the same rules for the purpose of allowing reliable comparisons.
- ix. Special measures will be established in order to grant additional resources to the Regions and the single Local authorities which will consistently show the best financial and quality performances (with a special focus on reducing tax evasion).
- x. A small set of new potentially influential consultative bodies has been established in order to follow up the implementation of the new rules and in order to update them in the future (their membership is 50%-50% central-regional/local).

The purpose of this reform is to enhance the financial responsibility by re-connecting the power to spend and the power to tax and by granting incentives to the more virtuous entities; the hope is to pursue a higher level of efficiency and even to reduce what the average tax payer has to give in total (43.3% of his/her income in 2008).

4. Some conclusive remarks on the Italian experience with comparative hints. There are limits to what and how much one can learn from other nations' experiences: comparative public law shows it very clearly. However there are a few remarks which are prompted by the 60 and more years of devolution efforts in Italy which I feel can be of general interest:

- A. The supporters of devolution must expect to meet formidable resistance. Political, constitutional and cultural traditions are extremely resilient. Law, and constitutional law in particular, are living matters; new textualizations determine their impact only in part and in any case it takes time to change things.
- B. Even in a country like Italy where the role of central bureaucracies has never been particularly strong, both ministerial managers and personnel have proven to be a major force opposing change: considering the Japanese experience one should expect at least as strong an opposition for any effective devolutionary project.
- C. Due to the strength of municipalism in Italy, local sub-units (Provinces and Municipalities) have been another major force which has made Regionalism more difficult to root. We have in Italy today exactly the same amount of municipalities we had 120 years ago! This seems to be a great difference in comparison to the case of Japan where municipalities have been effectively reduced over time.
- D. Resources are bound to be a major issue in all instances. Although fiscal federalism and devolution are pursued in order to ensure a more efficient use of limited resources and in the hope to reduce taxation, in the short term one should be aware that a multiplication of Sub-national units might involve higher costs (it certainly has additional administration costs). Furthermore, a devolutionary process can be even more difficult in countries with a very large public debt. This is the case of Italy and the case of Japan as well. If Central Authorities give up a share of their tax resources (and they will eventually have to) the issue might arise of how to share the cumulated public debt as well. Experience also tells that often financial issues tend to be postponed and end up being regulated later on: this has been the case in Italy and for what I understand in Japan as well.
- E. A devolutionary process must take into account the true cleavages which may affect the decision making process and influence its implementation. In the Italian case those cleavages are connected with the conflicting interests of privileged Special Regions and Ordinary Regions; with the conflicting interests of each Region and its Local entities; with the conflicting interest of rich (mostly Northern) and poor (all Southern) Regions (although they pay lip service to devolution, the Southern ruling classes are among the staunchest supporters of centralism as they prefer to lobby for larger Rome's budgetary transfers rather than to be recognized the power to... levy taxes on their constituencies).

- It is very important that the supporters of devolution are able to clearly identify the relevant cleavages and conflicting interests which may affect the decentralization effort.
- F. A devolutionary process is no short term endeavour. It takes many, many years. It must be expected to take decades, in fact. The time issue is an obstacle by itself because it implies that the supporters of devolution must show great determination and great consistency through the years, which also means they must be able to continuously ensure the necessary political and popular consensus. Phases of pause and even occasional retreats must be expected.
  - G. A devolutionary process is much easier to be implemented where sub-national and social units already have a definite identity, possibly rooted in history. Where they lack the above, everything is going to be more difficult and it will take even more time.
  - H. In order to create a Regional identity where it does not exist and where Municipalities already do exist and do have already a fairly distinct identity, it is highly recommended to ensure that the new Regional authorities are granted a high degree of political legitimation: this might only come through the direct popular election of the Chief executive whichever its name will be (Governor, President, Regional Prime minister).
  - I. For the same reason, if politically feasible, a two-tier system would be more advisable than a three or multiple-tier system: or at least, even if the system is a three-tier system, it is to be recommended that the sub-national units may be granted the power to autonomously regulate their sub-regional (local) authorities. The Italian experience shows that large municipalities have been a major force opposing change and in particular opposing an effective and broad devolutionary process towards the Regions: they tend to prefer to strengthen their privileged relations with the central authorities rather than have to deal with their regional counterparts.
  - J. The average dimension (demographic and economic, therefore financial) of each unit (let it be sub-national or sub-regional/local) is pivotal to the implementation of an effective and efficient autonomy: to this end the Japanese case appears promising and the situation much better than what it has been the case in Italy (see Chart).
  - K. In particular an asymmetrical devolution is probably needed where there are major differences in size among the involved sub-national and sub-regional units. In those cases the «one solution fits all» model can hardly be expected to work. There is indeed a relation between functions to be performed and the size of the institutions involved. History, traditions and culture are also fundamental: a certain degree of asymmetry might prove necessary when the purpose is to hold together units which might be tempted to go by themselves. This has been and still is the Italian case, it is probably not the Japanese one for what I understand, although Japan also has situations and areas which might require specific regulations (Okinawa, Hokkaido).
  - L. The supporters of devolution should bear in mind that federalism (and a high degree of devolution and the application of the *principle of subsidiarity* as well) do imply asymmetry: even where there is no *legal-formal* asymmetry, by definition federalism is supposed to produce *de facto* asymmetry. To say it in other words, federalism means differentiation and difformity: it is justified and legitimated by difformity and its purpose is to allow for differentiation and difformity. This appears rather obvious: however it is a concept not easily accepted both by ruling classes and peoples who have always lived within the frame of a centralized State (a State erected and consolidated along the lines of the French revolutionary model based upon the highest conceivable degree of uniformity). This I can certainly say about Italy: it might possibly mean something in the Japanese case as well.