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# Scaling Down and Up: Can Subnational Analysis Contribute to a Better Understanding of Micro-level and National Level Phenomena?

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## Articles

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### SISYPHEAN ENDEAVOR OR WORTHWHILE UNDERTAKING? TRANSCENDING WITHIN-NATION, WITHIN REGION SUB-NATIONAL DEMOCRACY ANALYSIS,

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A decade ago, Richard Snyder made an eloquent plea for the merits of “scaling down” to the sub-national level while lamenting the pitfalls associated with “mean-spirited,” “center-centered” perspectives dominating research on political and economic liberalization and democracy.<sup>1</sup> Snyder’s sentiments were well received by analysts of sub-national change in territorially large democratizing or liberalizing polities. They have been echoed by other scholars of Latin America, China, India, and Russia. The substantial spatial variations in income inequalities, historical pathways, ethno-linguistic divisions, religion, legacies of empire, and regional political regimes in many settings understandably make sub-national analysts uncomfortable with the widespread practice of relying on national-level generalizations and data. In this essay, I discuss the merits and challenges of sub-national analysis based on my experiences of research into sub-national politics in developing democracies, as well as in hybrid regimes like Russia for which the label “democracy” or “democratizing” may be inappropriate.<sup>2</sup> I also suggest some ways of addressing common issues in the practice of sub-national research, such as a tendency toward within-nation and regional specialization.

There is now a growing community of scholars doing rigorous work on sub-national democracy. The bulk of this work, including Robert Putnam’s earlier path-breaking study of social capital, has either been set in a single nation or, occasionally, in

1. Richard Snyder, “Scaling Down: The Subnational Comparative Method,” *Studies in Comparative International Development* 36 (Spring 2001): 93-110.

2. Henry E. Hale, “Eurasian Polities as Hybrid Regimes: The Case of Putin’s Russia,” *Journal of Eurasian Studies* 1 (January 2010): 33-41.

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### SCALING DOWN AND UP: CAN SUBNATIONAL ANALYSIS CONTRIBUTE TO A BETTER UNDERSTANDING OF MICRO-LEVEL AND NATIONAL LEVEL PHENOMENA?,

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While cross-national analysis dominates comparative politics, many scholars have moved to the subnational level to test hypotheses generated at the national level. Subnational studies allow researchers to control for variation in a way that even the most sophisticated cross-national statistical studies are unable to. Accordingly, scholars have sought to leverage this advantage to gain new insight into topics as diverse as democracy, industrialization, regionalism, neoliberalism, welfare and poverty policies, social capital, and ethnicity and riots.<sup>1</sup> Scholars interested in Argentina, Brazil, China, India, Mexico, Russia, Spain, even Japan have incorporated the subnational level in their analysis. Local factors were key to both China’s and India’s rapid transformations, each well recognized as significant turning points in the global system.<sup>2</sup> The subnational focus also moved to international politics as a small literature on foreign policies of provinces further opened the black box of domestic states, enhancing the dialogue between comparative politics and international relations.<sup>3</sup> Importantly, decentralization initiatives across the globe have mobilized new interest in sub-state level

1. I cite only a few representative references here, as the literature is quite extensive. Richard Locke, *Remaking the Italian Economy* (Ithaca: Cornell University Press, 1995); Aseema Sinha, *The Regional Roots of Developmental Politics in India: a Divided Leviathan* (Bloomington: Indiana University Press, 2005); Ashutosh Varshney, *Ethnic Conflict and Civic Life: Hindus and Muslims in India* (Yale University Press, 2002); Richard Snyder, *Politics after Neoliberalism: Reregulation in Mexico* (Cambridge; New York: Cambridge University Press, 2001); and Bryon Moraski, *Elections by Design: Parties and Patronage in Russia’s Regions* (Dekalb, Illinois: Northern Illinois University Press, 2006).

2. Jean C. Oi, *Rural China Takes Off: Institutional Foundations of Economic Reform* (Berkeley: University of California Press, 1999); Dali, L. Yang, *Beyond Beijing: Liberalization and the Regions in China* (London; New York: Routledge, 1997), and Rob Jenkins, *Democracy and Economic Reform in India* (Cambridge: Cambridge University Press, 1999).

3. David Crikemans, ed., *Regional Sub-State Diplomacy Today*, (Leiden; Boston: Martinus Nijhoff Publishers, 2010); Purnendra Jain, *Japan’s Subnational Governments in International Affairs* (New York: Routledge, 2005); Darel E. Paul, *Rescaling International Political Economy: Subnational States and the Regulation of the Global Political Economy* (New York: Routledge, 2005).

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analyses.<sup>4</sup> Accordingly, scholars have analyzed the effects of decentralization on markets and attempts to measure fiscal and subnational indicators have burgeoned.<sup>5</sup> With the popularity of decentralization, subnational institutions have come to occupy both policy and scholarly attention as the World Bank and Asian Development Bank launched subnational structural adjustment programs and the World Bank began collecting databases on subnational indicators.<sup>6</sup>

Until now, the value of subnational analysis has been recognized largely for its methodological advantages. Such an approach increases the number of units and observations. Yet, this advantage presupposes an independence of units that may be misleading both for cross-national work and for within-country studies. In this article, I review the value of the subnational method and argue that we need to move beyond methodological justifications to a truly *comparative theory of subnational variation*. Such a comparative theory

should allow us to develop generalizable conclusions about how subnational institutions, actors, and ideas vary across countries and across time.

In order to build a comparative theory of subnational variation, I offer three alternative justifications for the subnational method. First, the subnational method forces scholars to develop more micro-level definitions and to operationalize concepts more precisely. Such requirements can produce greater gradation in existing concepts and emphasize the degree to which they vary not just across states, but also within them.<sup>7</sup> Second, I call for a stronger link between studies of democracy and studies of development, which can better be analyzed at the subnational level. Lastly, I argue that a focus on the subnational level can change the way we understand the national or systemic level and, to that end, authors conducting research on the subnational level must strive to inform the broader comparative politics literature by highlighting the implications of their work for those engaged in cross-national studies. The research agenda I propose is an ambitious one, though, as data gathering at the subnational level is less common and more difficult. The success of such an enterprise will most likely require more collaboration among scholars with diverse regional expertise but with higher payoffs in developing a comparative theory of subnational variation.

## Real-World Democracies and Theories of Democracy

The study of the subnational practice of democracy can be useful for the larger theoretical debates about democracy and contribute to a truly comparative theory of democratic practice. This method can tell us a lot about the actual practice of democracies all over the world and by doing so, enable us to modify and add nuance to the theoretical concepts with which we work. For example, in an innovative extension of the subnational method Jenkins adopted a two state analysis for a wide range of issues drawing upon India's regional diversity.<sup>8</sup> In most cross-national studies, democracy is usually measured by adding different dimensions of democracy but such indiscriminate addition is too crude and simplistic.<sup>9</sup> Subnational analysis, by contrast, can allow us to examine how the levels of democracy vary within a larger context. The end result should be more refined assessments of the concept of regime type. Thus, subnational studies can lead to a search for better micro-level concepts and, as our understanding of the causal mechanisms associated with these concepts improve, so too will the empirical grounding of our categorizations and comparisons.

In the larger literature the distinction between substantive and procedural concepts of democracy has been well understood. Democracy can be defined in terms of the rules of the game or the outcome of democratic institutions.

4. Tullia G. Faletti, *Decentralization and Subnational Politics in Latin America* (New York: Cambridge University Press, 2010) and Kathleen O'Neill, *Decentralizing the State: Elections, Parties and Local Power in the Andes* (Cambridge: Cambridge University Press, 2005).

5. Jonathan A. Rodden, *Hamilton's Paradox: the Promise and Peril of Fiscal Federalism* (Cambridge; New York: Cambridge University Press, 2006); Aseema Sinha, "Political Foundations of Market-Enhancing Federalism: Theoretical Lessons from India and China," *Comparative Politics*, 37, (April 2005): 337-356; and Barry, L. Weingast, "The Economic Role of Political Institutions: Market-Preserving Federalism and Economic Development," *Journal of Law, Economics, & Organization*, 11, (April 1995):1-31.

6. Jason A. Kirk, *India and the World Bank: The Politics of Aid and Influence* (Anthem Press, 2011); World Bank, *Subnational Data Requirements for Fiscal Decentralization: Case Studies from Central and Eastern Europe* (Washington, D.C.: World Bank, 2003).

7. David Collier and Robert Adcock, "Democracy and Dichotomies: A Pragmatic Approach to Choices about Concepts," *Annual Review of Political Science*, 2 (June 1999): 537-565.

8. Rob Jenkins, *Regional Reflections: Comparing Politics Across India's States* (Oxford University Press, 2004).

9. Shawn Treier and Simon Jackman, "Democracy as a Latent Variable," *American Journal of Political Science*, 52, (January 2008): 201-217.

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Moving the level of analysis to the subnational or local levels can help us address important issues related to the differential effects of procedural and substantive concepts of democracy that have been unaddressed so far. For example, what is the relationship between democratic procedures and substantive outcomes, such as the benefits that democracy might accord to lower income groups? A purely cross-national study of regime types may, among other things, mask the effects of elections versus other types of accountability mechanisms. It may be hypothesized that accountability institutions other than elections are more beneficial for lower income groups since the electoral process can be captured by elites. Such assessments of democracy's effects cannot be explored in a cross-national analysis where both democracies and authoritarian governments may be part of the sample but subnational analysis allows us to test the effects of different dimensions of a democracy especially when democracy and decentralization go together.

The subnational method also allows us to explore debates around the quality of democracy. For example, we can look at the actual experience of democracy across subnational units in a democratic country like India. Many scholars have argued that, despite the success of Indian democracy, we need more fine-grained empirical measures to assess its quality of democracy. Questions related to the quality of democracy include: Do politicians use their offices to benefit citizens or to benefit only elite groups? Do corrupt officials get elected more than non-corrupt officials? Does the acquisition of political office increase the propensity for corruption? While nothing prevents scholars from analyzing these questions across

nation-states, many of these questions have not been addressed because scholars tend to focus on macro-level democratic differences across regimes rather than finer variables that vary at local levels. Analytically, it is more insightful to compare how a well-functioning democracy performs across its local levels as one can control for macro-level factors such as rules, party systems, electoral systems, and the like.

A related point emerges: we lack a theory of democracy's linkages with society, that is, where democracy meets social institutions. We do not have enough studies of how boundaries between citizens and political society in democracies are created, sustained and restructured. The political culture research project has found that civil and democratic values are important but we do not know enough about how such values are created and sustained.<sup>10</sup> Studies of local political values can allow us to focus more closely on the linkages between society and democracy. This explication and examination of how democratic citizens and democratic values are produced and reproduced at societal levels can best be done through fine-grained local studies working with tools of political sociology and political anthropology. A subnational orientation in such endeavors can enhance the variation in otherwise focused micro-studies by bringing in a comparative dimension—the creation of democratic citizens across different or similar localities—within as well as across nation-states.

### Explicating Missing Puzzles about Democracies and Economic Development

While there is a huge literature linking

10. G. Almond, and S. Verba, *The Civic Culture: Political Attitudes and Democracy in Five Nations* (California: Sage, 1989).

political variables like regime types and economic development indicators, the causal mechanisms underlying the linkages between economic development and regime type have not been adequately researched.<sup>11</sup> We need to go beyond blunt, macro-level concepts like democracy or globalization to consider the effect of democratization on economic outcomes. For example, how democratization influences different social groups—business, interest groups, labor—deserves a more differentiated analysis. It may be possible to use the subnational method to disaggregate different kinds of social groups such as manufacturing versus service sector elites, skilled and unskilled workers, agricultural and industrial labor, and different kinds of voters located in different regional arenas. In India, for example, manufacturing and service industries are located in different provinces. Simultaneously, the eastern part of the country is less well developed and largely agricultural. Such regional differentiations can allow us to tease out the variable effects of democratic procedures on different socio-economic groups. In China, the regional differences between coastal and inland provinces could also be studied in this way.

Research on the effect of economic globalization on the level of democracy also warrants much more attention.<sup>12</sup> Does economic growth create a middle class helping democracy, as argued by Lipset, or does it increase income inequality endangering

11. John Gerring, Peter Kingstone, Mathew Lange, and Aseema Sinha, "Democracy, History, and Economic Performance: A Case-Study Approach," *World Development*, 39 (October 2011).

12. Helen, V. Milner, and B. Mukherjee, "Democratization and Economic Globalization," *Annual Review of Political Science*, (June 2009): 163-181.

democracy?<sup>13</sup> What about the power of business classes in democracies? Does increasing concentration of economic assets influence elections and other procedures of democratic accountability? Given geographic concentrations of assets, industries, and skills, economic variation at the subnational level can be used to test more nuanced hypotheses about the effect of economic change on the level and quality of democracy. Subnational work, then, has the potential to explore lingering puzzles in the link between democracy and economic development.

### Using Subnational Analysis to Understand National and Global Phenomena

One weakness of subnational analysis is its inability to scale up. Comparativists might argue that subnational analysis is good for going deeper but it does not help them understand social phenomena at higher levels of aggregation. Moreover, subnational actors and institutions may have different effects across nations, necessitating the need to link cross-national analysis with subnational work. I urge scholars interested in the subnational level to use disaggregation to theorize about how their analysis affects the nature of politics and political economy at the national level. Specifically, what is the link between regional politics and national politics? Is national policy a product of bargaining or coalition formation between regional and subnational actors? How do the incentives of regional politicians vary under different institutional rules? How does the national party system shape regional actions?

13. S.M. Lipset, "Some Social and Economic Requisites of Democracy: Economic Development and Political Development," *American Political Science Review* 53 (March 1959): 69–105 and D. Acemoglu and Robinson, J. 2006. *Economic Origins of Dictatorship and Democracy* (New York: Cambridge Univ. Press).

An analysis of national politics that accounts for subnational factors is likely to be different than conventional cross-national work. Subnational disaggregation suggests the need to focus analytical attention on how subnational elites perceive their interests, and their incentives. But, we also need to know how the actions of local actors are shaped by both local and national incentives. Towards this end, scholars interested in subnational processes should focus on the interactions among subnational, national, and global levels of analysis as well as diffusion processes. In studies of economic outcomes, for example, one important question is whether national considerations can outweigh local interests. This possibility raises an important issue: Are there overlapping or linkage institutions that allow the construction of larger incentives and actions? Linkage arises when local elites, politicians or voters have relationships with nation-wide institutions, or shape developments at the national level. Weingast et. al. argue that hard budget constraints force governments to match revenues with expenditure.<sup>14</sup> And, rules that ensure a national common market force all actors—regional and national—to pursue goals that are beneficial for the national common good. Sinha posits alternative mechanisms of authority, personnel, and institutional linkages that make local and national incentives consistent.<sup>15</sup> Authority linkage mechanisms refer both to the formal roles conferred to subnational and central actors as well as the exercise of real power. In China for example, central leaders make recruitment decisions according them unprecedented power. This, then, affects the scope of local and subnational autonomy creating

14. Weingast 1995, op.cit.

15. Weingast, 1995 op. cit. and Sinha, 2005 op.cit.

particular incentives and pathways of career mobility and institutional change in China. Institutional linkages refer to organizations that exist separate from the levels of government, but allow subnational rulers to interact with national level actors. For example, in India, the National Development Council (NDC) and the Interstate Council are institutional bodies that include the provinces' and the center's representatives and meet regularly to discuss overlapping issues. Examples of such linkage exist in all federal systems wherein local interests or voices are represented in national institutions. Personnel linkages refer to circulation of elites: Do subnational politicians, for example, hold central posts and vice versa?<sup>16</sup> The participation of provincial elites in the Chinese Politburo is one such linkage mechanism. These concepts and examples suggest the need to expand beyond purely subnational analyses to examine how the subnational structure of power affects the nature of the national political economy and vice versa.

One advantage of the extension of subnational foci to national levels is that results can be compared across different countries. In order to do that, though, scholars need to ask: What can the presence of subnational divisions say about the nature of national institutions and policy processes? How does the national context shape the nature of subnational divisions? Asking these questions would expand the value of subnational analysis and also allow scholars interested in the subnational level to theorize and build arguments about other cases (i.e. combine within case analyses with cross-case analyses).

For example, work on ethnic divisions

16. This section is drawn from Sinha. 2005, Op.cit.

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in India or Russia might do well to ask how the political organization of federalism in the relevant country affects the transformation of ethnicity into national outcomes, such as consociationalism or persistent ethnic conflict? Research on party systems can analyze how they differ across regions at the subnational level but also aggregate to develop weaker or stronger mechanisms of career and institutional development at the national level. Moraski's work alludes to this possibility by highlighting how the design of regional electoral systems impeded regional party development, which in turn, may have contributed to the weakness of the Russian party system.<sup>17</sup>

In a similar vein Latin American scholars have argued that subnational party systems affect national party systems.<sup>18</sup> In work on economic growth a focus on fiscal transfers has implicitly addressed this question but political economy analysis also must ask how political authority is distributed across different levels of the polity. Are there ways for local politicians to advance

17. Bryon Moraski, *Elections by Design: Parties and Patronage in Russia's Regions* (DeKalb, Illinois: Northern Illinois University Press, 2006).

18. Fernando Luiz Abrucio and David Samuels, "Federalism and Democratic Transitions: The "New" Politics of the Governors in Brazil," *Publius*, 30, 2 (Spring 2000): 43-61; Erika Moreno, "Subnational Determinants of National Multipartyism in Latin America," *Legislative Studies Quarterly*, 28 (2003): 179-201.

to the national level and vice versa? How does such advancement affect local incentives to pursue democracy or growth or investment promotion? Such theoretical and empirical extensions must be done more explicitly, so that scholars of subnational politics can contribute to theory building at the national level. Doing so will lead to the next step of comparing the nature of regional and national phenomenon across cases. Such cross-national analysis would more fully capture political developments by taking into account subnational differentiation but also by theorizing about national patterns and trajectories.

**Conclusion**

In sum, the subnational method must be linked to a substantive comparative theory of subnational variation across countries. This expansion can tell us a lot about the actual practice of democracies all over the world and by doing so, enable us to modify and add nuance to the theoretical concepts with which we work. A subnational orientation can especially be useful in analyzing crucial and unaddressed puzzles about the effect of democracies on changing economic outcomes and the interests and preferences of actors in their economic and political roles. Lastly, subnational studies must pay

conscious attention to scaling up to the national and global level. Subnational work has highlighted the need to disaggregate the nation-state into its lower level units (provinces, regions, local level units, or districts). In order to deploy the scaling down for a larger comparative theory of subnational variation, we must scale up and develop a theory of the nation-state that makes explicit the interaction across levels within it rather than assume independence of units. Then, scholars can compare both within and across countries. Such an approach would be different from both traditional comparative analysis that takes the nation-state as the unit of analysis as well as the excellent first generation subnational work that compares within countries. Nation-states or subnational units are not "bounded wholes" and a subnational orientation can help us disaggregate as well as aggregate.

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