

This paper presents a discussion of possible mechanisms through which governmental units could be formed and dissolved, building especially on previous work and ideas by Bruno Frey. I find the topic important and some of the discussion in the paper interesting and stimulating, but, overall, there is not much in terms of original contribution to economics, either analytically or empirically. Clearly, this is not a “positive” analysis of how nations are actually formed, but rather a normative proposal for a somewhat utopian World of free exit etc. However, the authors do not provide any new analytical results or insights – the paper consists mostly in a descriptive presentation of possible rules. I am afraid that the value added of this exercise is rather limited.

In fact, the authors are not fully clear about the distinction between “positive” analysis and normative considerations in the literature, and sometime seem to criticize results from positive political-economy models because of undesirable normative properties (e.g. inefficiency), while much energy in recent political-economy analysis has gone exactly into attempts to understand existing inefficiencies. Perhaps the paper could benefit from a more thorough discussion of the reasons why we typically DON’T observe the solutions proposed by the authors in the real World.

I also have a few minor comments:

I am a bit puzzled by the distinction between an “American school” (which would include Alesina and Spolaore), growing out of Tiebout, and a “European school” (which would include Bolton and Roland), focused on international trade. It seems to me that inter-state trade has played some role in all these authors’ work, and, if anything, it has been emphasized mostly by Alesina and Spolaore (who even wrote a paper titled “Economic Integration and Political Disintegration” in the AER, with Wacziarg), while Bolton and Roland have mostly focused on the relation between redistribution and the breakup of nations.

A second minor comment is about the issue of monopoly of legitimate coercion in modern states. While I agree that this Weberian concept might be a bit too abstract to characterize actual sovereign states in many circumstances, I am not convinced by the counter-examples provided by the authors. For instance, the existence of state and local police forces along with federal forces in the U.S. does not invalidate the fact that the American government (as defined by the U.S. constitution, and as monitored by the U.S. Supreme Court) has ultimate monopoly of legal coercion in the U.S.