

Advantages of Federalism. – Excerpts from William Lasser’s *American Politics, the Enduring Constitution, Second Edition* (Houghton Mifflin Company, 1999, pp.67-72)

- Flexibility – A federal system allows different states and communities to adapt varying conditions and traditions. At the same time, the strong central government can move in to solve common problems or enforce common standards of justice.
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- Experimentation – A new idea can be developed and tested on a local level. If it works, it can be adopted by other states or even by the federal government. If it doesn’t, it can be quietly laid to rest without its negative effects spreading beyond the local and state level.
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- Competition – Just as a capitalist economic system encourages efficiency through competition of private individuals and corporations, so too the federal system encourages efficiency through competition of different states. Much of this competition consists simply of tax giveaways and other financial incentives, but it may also stimulate the states to improve education, job training, and infrastructure.
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- National Strength without National Uniformity – Advocates of dividing power between the states and national levels stress that the benefits are achieved without sacrificing the strength of the nation as a whole. Military and foreign policy is handled by the national government, eliminating the weakness and inconvenience of government by committee in these areas. National economic power is strengthened by the federal government’s ability to regulate interstate commerce. National standards of rights of justice can be imposed without sacrificing local power and control.
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- Controlling Abuses of Power – An original argument in favor of federalism, advanced by James Madison, was that the two governments would keep each other in check, providing an effective check on state power. The national government no doubt provides an effective check on state power – especially through the federal courts – but the opposite is rarely true. In some ways the states do provide a means through which the people can make their demands heard in Washington. In general, however, state efforts to check the national government are haphazard and uncertain. And, as we have seen, over the past century there has been a continuous shift in power from the states to the national government.
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- Increased Responsiveness and Opportunities for Participation – The existence of local, state, and national governments greatly increases the opportunities for citizens to participate in politics and the likelihood that they will find a sympathetic and responsive ear at some level of government. A group that fails to achieve results at the national level can often seek relief in the states, and vice versa. The opportunity to play one government against another is not unlimited, of course. Since valid federal laws displace valid state laws, those who can mobilize at the federal level have an obvious advantage.
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- The Importance of the Dumbo Effect – Laws passed at the national level can have an important symbolic effect on the states. A national law underscores the importance of an issue and may provide critical momentum to various state efforts. Federal grants can play a similar role. States and localities that might be reluctant to carry all of the burden of new programs may do so if the federal government picks up part of the tab. Surprisingly, such programs often continue even after the federal aid has ended. This phenomenon is known as the *Dumbo effect*, after the elephant who could fly on his own, but though he could do so only with the aid of a magic feather.

Disadvantages of Federalism

- *Lack of Accountability* – When more than one government unit is involved in making decisions, assigning blame or credit for what goes wrong or right can be difficult. Federalism allows politicians to blame each other instead of taking responsibility themselves. In fact, state politics commonly turns on issues that are really the concern of the national government, and national politics often centers on matters of state concern. Candidates from national office have run successfully on a pledge to improve the nation's education system – even though the national government's role in education is extremely limited. Conversely, local candidates often rail against Supreme Court decisions that, once in office, they can do nothing about.
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- *Cost Shifting* – Critics also argue that federalism encourages cost shifting between the state and national governments and between different parts of the country. Congress, in recent years, has made a practice of creating policies but refusing to pay for them, in many cases leaving the states to pick up the tab. Conversely, the states might neglect small problems and then call for federal assistance when they truly turn into big ones.

Another problem is the tendency of national officials, especially representative and senators, to use the federal government to benefit their own states at the expense of others. Because the national legislators are elected from the states and view themselves as representatives of their local constituents, they see nothing wrong with this practice and often take credit for it. Thus rural Oklahomans pay for mass transit (ie the Big Dig) in Massachusetts, and Rhode Islanders pay for farm programs in Kansas. In theory, this cost shifting should balance itself out, but in practice some states play this game better than others.

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- *Lack of Coordination* – A further difficulty in fragmenting government power is a local of coordination between the many agencies with responsibility for a given problem. Problems have arisen, for example, when the states are struck by natural disasters. It may take days or weeks – while people suffer – for the local, state, and national agencies to figure out who should do what, where, and when.
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- *Duplication and the Burden of Diverse Regulations* – Interstate businesses are forced to keep up with diverse local, state, and federal regulations, which is extremely expensive and difficult. Cooperation and coordination between the various states and the federal government, however, can lessen these problems. Unfortunately, state laws remain diverse in many areas and keeping up with varying rules and procedures can be a major headache for those who do business in many states.
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- *Interstate Competition* – Although competition among states can encourage change and social progress, it can also lead to waste and inefficiency. The Commerce Clause prohibits a state from directly discriminating against out-of-state businesses, but states are permitted to compete against each other for new businesses. In recent years, competition among states has reached a fevered pitch. One bidding war among three states to attract a Canadian steel plant employing four hundred people, for example, cost the winning state's taxpayers an estimated \$350,00 per new employee in tax credits, low-interest loans, and new road building projects.
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- *The Wrong Level of Government* – Ideally, policies that require national uniformity are handled in Washington, and those that lend themselves to local solutions are left to the states. In practice, there is no guarantee that a given policy will be dealt with at the optimal level of government. Since the New Deal the national government has tended to take over programs

that might better be left to the states. For example, critics cite federal programs in housing and education as examples of policies that would be better left to the states or left unregulated.

The problem is just as serious in the opposite direction. In many cases the states lack the resources, political will, or leverage to carry out important policies. Rich states would be able to afford more generous social programs than poor states; but once enacted, such programs would also attract citizens from other states in search of higher benefits. Similarly, research has shown that it is counter productive for states to increase the taxes of the rich, since wealthy citizens are free to move to states with lower taxes.

- *Too Much Politics?* – Federalism certainly increases the burdens on the citizen who wishes to keep up with and participate in politics. In a single year, a citizen might be expected to vote in city, country, school district, statewide, and federal elections. For a citizen to be informed about the actions of the government, he or she must follow the actions of the city council, country council, school board, state legislature, and Congress. Add in the separations of powers (mayor, county administrator, school superintendent, governor, president, not to mention the courts), and the burden may be overwhelming to everyone, which might explain the dramatic increase in voter apathy over the last 5 or 6 decades.

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