3.6: Advantages and Disadvantages of Federalism

Learning Objectives

By the end of this section, you will be able to:

- Discuss the advantages of federalism
- Explain the disadvantages of federalism

The federal design of our Constitution has had a profound effect on U.S. politics. Several positive and negative attributes of federalism have manifested themselves in the U.S. political system.

THE BENEFITS OF FEDERALISM

Among the merits of federalism are that it promotes policy innovation and political participation and accommodates diversity of opinion. On the subject of policy innovation, Supreme Court Justice Louis Brandeis observed in 1932 that “a single courageous state may, if its citizens choose, serve as a laboratory; and try novel social and economic experiments without risk to the rest of the country.”


What Brandeis meant was that states could harness their constitutional authority to engage in policy innovations that might eventually be diffused to other states and at the national level. For example, a number of New Deal breakthroughs, such as child labor laws, were inspired by state policies. Prior to the passage of the Nineteenth Amendment, several states had already granted women the right to vote. California has led the way in establishing
standards for fuel emissions and other environmental policies (Figure). Recently, the health insurance exchanges run by Connecticut, Kentucky, Rhode Island, and Washington have served as models for other states seeking to improve the performance of their exchanges.


The California Air Resources Board was established in 1967, before passage of the federal Clean Air Act. The federal Environmental Protection Agency has adopted California emissions standards nationally, starting with the 2016 model year, and is working with California regulators to establish stricter national emissions standards going forward.(credit a: modification of work by Antti T. Nissinen; credit b: modification of work by Marcin Wichary)

Another advantage of federalism is that because our federal system creates two levels of government with the capacity to take action, failure to attain a desired policy goal at one level can be offset by successfully securing the support of elected representatives at another level. Thus, individuals, groups, and social movements are encouraged to actively participate and help shape public policy.

FEDERALISM AND POLITICAL OFFICE

Thinking of running for elected office? Well, you have several options. As Table shows, there are a total of 510,682 elected offices at the federal, state, and local levels. Elected representatives in municipal and township governments account for a little more than half the total number of elected officials in the United States. Political careers rarely start at the national level. In fact, a very small share of politicians at the subnational level transition to the national stage as representatives, senators, vice presidents, or presidents.

This table lists the number of elected bodies and elected officials at the federal, state, and local levels.


<table>
<thead>
<tr>
<th>Elected Officials at the Federal, State, and Local Levels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Elective Bodies</td>
</tr>
<tr>
<td>Federal Government</td>
</tr>
<tr>
<td>Executive branch</td>
</tr>
<tr>
<td>U.S. Senate</td>
</tr>
<tr>
<td>U.S. House of Representatives</td>
</tr>
</tbody>
</table>

1
Elected Officials at the Federal, State, and Local Levels

Number of Elective Bodies

<table>
<thead>
<tr>
<th>State Government</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State legislatures</td>
<td>50</td>
</tr>
<tr>
<td>Statewide offices</td>
<td></td>
</tr>
<tr>
<td>State boards</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Local Government</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>County governments</td>
<td>3,034</td>
</tr>
<tr>
<td>Municipal governments</td>
<td>19,429</td>
</tr>
<tr>
<td>Town governments</td>
<td>16,504</td>
</tr>
<tr>
<td>School districts</td>
<td>13,506</td>
</tr>
<tr>
<td>Special districts</td>
<td>35,052</td>
</tr>
</tbody>
</table>

Total 87,576

If you are interested in serving the public as an elected official, there are more opportunities to do so at the local and state levels than at the national level. As an added incentive for setting your sights at the subnational stage, consider the following. Whereas only 28 percent of U.S. adults trusted Congress in 2014, about 62 percent trusted their state governments and 72 percent had confidence in their local governments.


If you ran for public office, what problems would you most want to solve? What level of government would best enable you to solve them, and why?

The system of checks and balances in our political system often prevents the federal government from imposing uniform policies across the country. As a result, states and local communities have the latitude to address policy issues based on the specific needs and interests of their citizens. The diversity of public viewpoints across states is manifested by differences in the way states handle access to abortion, distribution of alcohol, gun control, and social welfare benefits, for example.

THE DRAWBACKS OF FEDERALISM

Federalism also comes with drawbacks. Chief among them are economic disparities across states, race-to-the-bottom
dynamics (i.e., states compete to attract business by lowering taxes and regulations), and the difficulty of taking action on issues of national importance.

Stark economic differences across states have a profound effect on the well-being of citizens. For example, in 2014, Maryland had the highest median household income ($73,971), while Mississippi had the lowest ($39,680).


There are also huge disparities in school funding across states. In 2013, New York spent $19,818 per student for elementary and secondary education, while Utah spent $6,555.


Furthermore, health-care access, costs, and quality vary greatly across states.


Proponents of social justice contend that federalism has tended to obstruct national efforts to effectively even out these disparities.

The National Education Association discusses the problem of inequality in the educational system of the United States. Read its proposed solution and decide whether you agree.

The economic strategy of using race-to-the-bottom tactics in order to compete with other states in attracting new business growth also carries a social cost. For example, workers’ safety and pay can suffer as workplace regulations are lifted, and the reduction in payroll taxes for employers has led a number of states to end up with underfunded unemployment insurance programs.


Nineteen states have also opted not to cover more of their residents under Medicaid, as encouraged by the Patient Protection and Affordable Care Act in 2010, for fear it will raise state public spending and increase employers’ cost of employee benefits, despite provisions that the federal government will pick up nearly all cost of the expansion.


More than half of these states are in the South.

The federal design of our Constitution and the system of checks and balances has jeopardized or outright blocked federal responses to important national issues. President Roosevelt’s efforts to combat the scourge of the Great Depression were initially struck down by the Supreme Court. More recently, President Obama’s effort to make health insurance accessible to more Americans under the Affordable Care Act immediately ran into legal challenges.
from some states, but it has been supported by the Supreme Court so far. However, the federal government's ability to defend the voting rights of citizens suffered a major setback when the Supreme Court in 2013 struck down a key provision of the Voting Rights Act of 1965.


No longer are the nine states with histories of racial discrimination in their voting processes required to submit plans for changes to the federal government for approval.

The benefits of federalism are that it can encourage political participation, give states an incentive to engage in policy innovation, and accommodate diverse viewpoints across the country. The disadvantages are that it can set off a race to the bottom among states, cause cross-state economic and social disparities, and obstruct federal efforts to address national problems.

Which of the following is *not* a benefit of federalism?

1. Federalism promotes political participation.
2. Federalism encourages economic equality across the country.
3. Federalism provides for multiple levels of government action.
4. Federalism accommodates a diversity of opinion.

Describe the advantages of federalism.

Describe the disadvantages of federalism.

Describe the primary differences in the role of citizens in government among the federal, confederation, and unitary systems.

How have the political and economic relationships between the states and federal government evolved since the early 1800s?

Discuss how the federal government shapes the actions of state and local governments.

What are the merits and drawbacks of American federalism?

What do you see as the upcoming challenges to federalism in the next decade? Choose an issue and outline how the states and the federal government could respond.
Glossary

**race-to-the-bottom**

A dynamic in which states compete to attract business by lowering taxes and regulations, often to workers’ detriment.