



## US FEDERALISM IN COMPARATIVE PERSPECTIVE

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The United States is often considered exceptional (Shafer 1999). One of the defining features of its political system is its federal architecture. To what extent, though, can the US federal experience be considered exceptional from a comparative perspective? Of all the characteristics of the US political system, federalism appears to lend itself particularly well to comparative analysis. On one hand, the United States was the first modern federation, and its primogeniture set a template that influenced all subsequent federations. On the other hand, no other federation matches the US model exactly; most operate in remarkably different ways to the United States (Stepan 1999). Assessing how the US federal experience compares to that of other countries requires an ability to measure key aspects of the operation of a federation across systems and over time. Vital to this concern is how the “federal balance” between the central government and the constituent units evolves, which we refer to as “dynamic de/centralization.”

Here, we briefly describe the results of a recent project that sheds new light on this question. We show that the United States matched the experience of most other continuously democratic federations in becoming more centralized in the legislative sphere but less so in the administrative and fiscal spheres. While institutional

features affect the instruments of dynamic de/centralization, its direction and magnitude appear to be determined primarily by structural socio-economic and socio-cultural forces.

### Studying De/Centralization in Federations Comparatively

Concerns about how the balance of power between the federal government and the states would evolve were widespread at the birth of the US federal system. Madison sought to address these concerns in *The Federalist* ([1788] 2000, esp. 236). Scholars have since frequently touched upon them. According to Livingston (1956, 10), “that the real key to the nature of the federation is in the distribution of powers seems to be agreed upon by nearly every writer who addresses himself to the question.” Half a century later, how to preserve a healthy federal balance was at the heart of Bednar’s (2008) search for a formula for a “robust” federation. Observers of US federalism started to detect a centralizing trend as early as the late 19th century, and predicted it would accelerate in the future (e.g., Bryce [1887] 1995a, 1541, 1565; Bryce [1888] 1995b, 1500). By the turn of the 20th century, some wondered whether US federalism could adapt to modernity (e.g., Leacock 1909), while later scholars argued that federations have a

general tendency to become more centralized over time (Wheare 1946, 252-3).

Yet, assessing de/centralization trends comparatively has long been hindered by conceptualization and measurement problems. Riker (1975, 140) remarked that developing an index of centralization “would make possible a truly comparative study of federalism for the first time”. From the 1970s onwards, scholars have sought to measure de/centralization using fiscal data, such as the proportion of revenues or expenditures accounted for by sub-central governments (Pommerehne 1977). More recently, the Regional Authority Index (Hooghe et al. 2016) measures the authority regional governments – including the constituent units of federations – possess in terms of “self rule” (i.e., the powers they exercise vis-à-vis their own population) and “shared rule” (i.e., their power to influence national policies). These efforts marked important scholarly advances but fell short of providing measures able to fully capture the complexity of de/centralization across systems and over time (Dardanelli et al. 2019a: 2-5). In a recent project, we sought to make progress in this endeavor by addressing some of the limitations of previous measures.

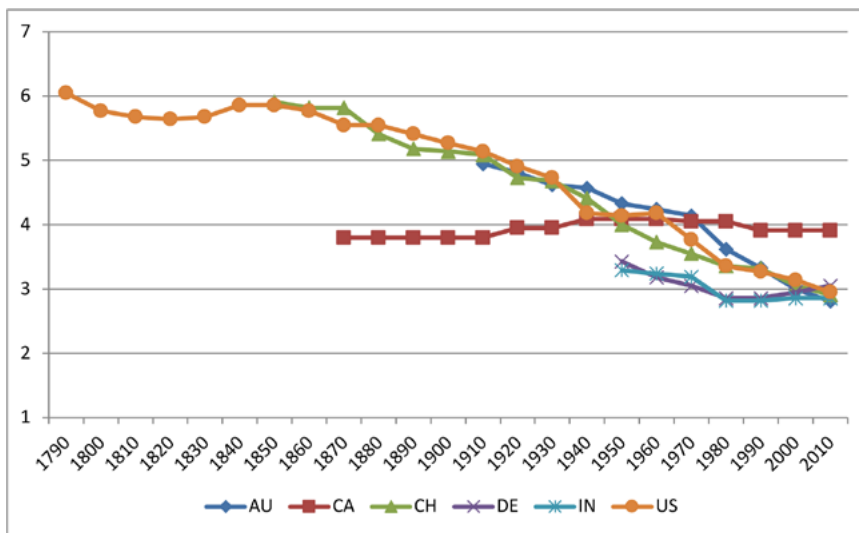
### Conceptualizing and Theorizing De/Centralization

We distinguish between static and dynamic de/centralization. Static de/centralization is the distribution of powers between the central and constituent governments of a federation at any given time. From the perspective of each constituent unit, such distribution is characterized by the autonomy it has to take binding decisions on public policy vis-à-vis the federal government and other constituent units. We prefer

“de/centralization” to decentralization because it does not imply a presumption in favor of one end of the spectrum. Dynamic de/centralization is the change in the distribution over time, toward either centralization or decentralization. We conceptualize constituent-unit autonomy in continuously democratic federations as having two main dimensions: policy, itself divided into legislative and administrative, and fiscal autonomy. Legislative autonomy refers to a constituent unit’s control of primary legislative powers in a policy field. Administrative autonomy concerns the degree to which a constituent unit implements central government, as well as its own, legislation. Fiscal autonomy relates to its ability to obtain financial resources through its own tax and borrowing powers, and to allocate such resources as it pleases (Dardanelli et al. 2019a, 7-10).

We conceptualize dynamic de/centralization as having five main properties: (1) direction: whether change is toward centralization or decentralization; (2) magnitude: the magnitude of the change; (3) tempo: the frequency, pace, timing and sequence of change; (4) form: whether change occurs in the legislative, administrative or fiscal dimensions; and (5) instruments: the instruments through which change occurs, such as constitutional amendment, court rulings or conditional grants (Dardanelli et al. 2019a, 10-13).

Drawing from several strands of the literature, we theorize that dynamic de/centralization is shaped by seven categories of causal factors operating at different levels and points in time: (1) antecedents: factors that determine the initial distribution of powers in a federation, such as whether the federation was the product of a ‘federal bargain’; (2) socio-economic trends:



**Figure 1:**  
Mean static legislative  
de/centralization

long-term developments in the economy and society such as rising market integration and factor mobility; (3) socio-cultural trends: patterns of change in collective identification and expectations vis-à-vis government; (4) economic and security shocks such as wars and economic crises; (5) collective attitudes toward the federal balance by citizens, interest groups, and the media; (6) political variables such as the degree of nationalization of the party system and ideology; and (7) the institutional properties of each federation (Dardanelli et al. 2019a, 14-22).

*US's trajectory matches closely that of other long-established federations.*

### The De/Centralisation Dataset (DcD)

The De/Centralisation Dataset (Dardanelli et al. 2019c) measures legislative and administrative de/centralization in 22 policy fields and fiscal de/centralization in five categories in Australia, Canada, Germany, India, Switzerland, and the United States for each decade from their foundation to 2010.

Policy de/centralization is measured on 7-point scales, ranging from 7 (exclusive control by each constituent unit) to 1 (exclusive control by the federal government). Fiscal de/centralization is

measured on 7-point scales based on numerical indicators or qualitative assessment, ranging from 7 (maximal autonomy for each constituent unit) to 1 (minimal autonomy).

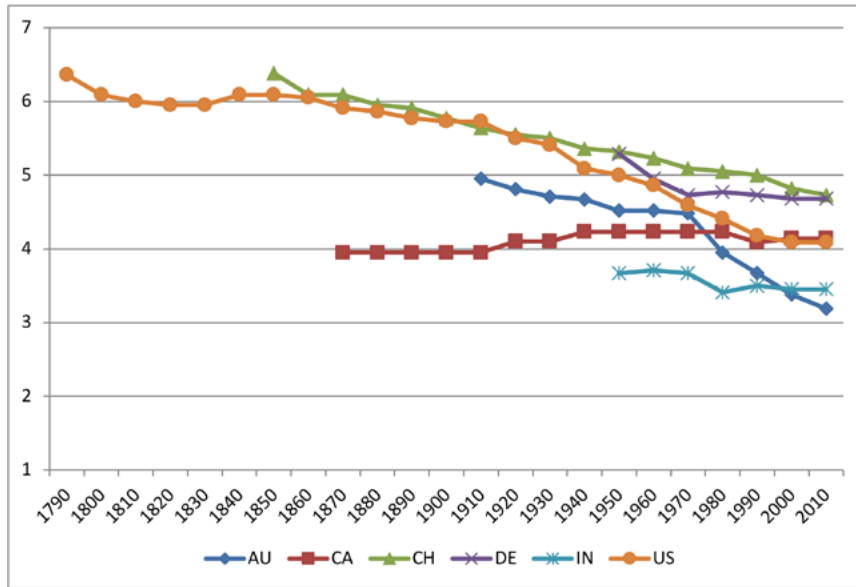
Compared to other datasets, the DcD offers three main advantages: (a) detailed measures of legislative and administrative de/centralization for 22 public policy fields, ranging from agriculture to transportation; (b) measures that capture the fiscal autonomy of the constituent units as opposed to their fiscal capacity; and (c) measures for the entire life of each federation.

### The US Experience in Comparative Perspective

From the DcD data, we can assess how the experience of the United States compares to that of Australia, Canada, Germany, India and Switzerland (see Dardanelli et al. 2019b for details). *Figure 1* maps the evolution of legislative de/centralization averaged across the 22 policy fields. It shows that the US's trajectory matches closely that of other long-established federations such as Switzerland and Australia. Starting from a high level, the degree to which the US states have primary legislative control over public policy declined almost continuously, particularly during the federation's second century, and converged by 2010 with that of Australia, Germany, India, and Switzerland, around a score of 3. This indicates that legislative powers across policy fields came predominantly under the federal government's control, confirming earlier qualitative assessments (Sandalow 1982).

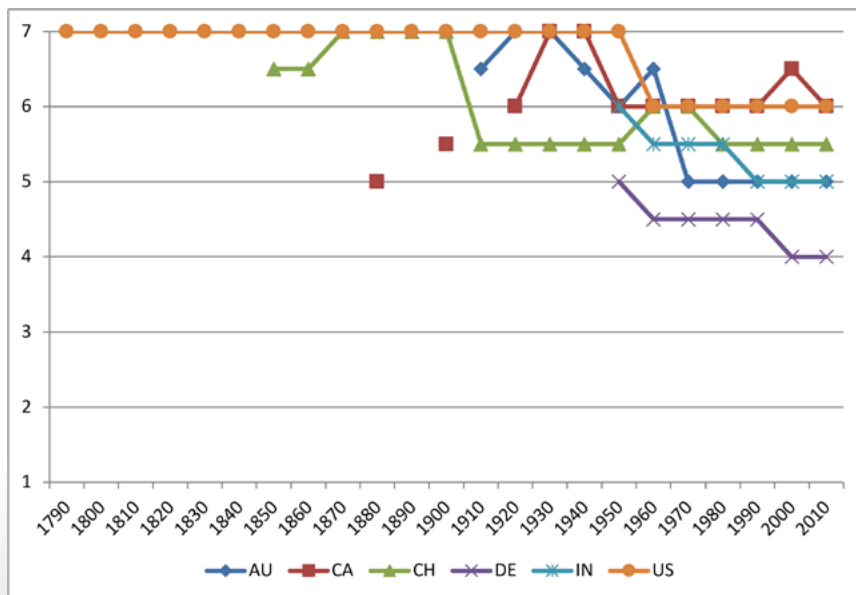
From this perspective, it is Canada's trajectory that is exceptional. Having started from a much higher level of static centralization than the United States or Switzerland, Canada experi-





**Figure 2:** Mean static administrative de/centralization

enced a mix of centralizing and decentralizing steps, ending up as the most decentralized federation in the legislative sphere by 2010. The 1960s 'Quiet Revolution' in French-speaking



**Figure 3:** Mean static fiscal de/centralization

Quebec was crucial in producing a countervailing force against centralization at the very time other federations embarked on markedly steeper centralizing paths. In contrast to its peers, Canada also experienced growing asymmetry whereby some but not all provinc-

es (Quebec, in particular) developed their own policies in several fields, ranging from pensions to immigration.

We found dynamic centralization to have generally been less deep in the administrative sphere, in the United States as well as in most other cases. By 2010, the United States displayed a medium level of static administrative centralization, higher than the level in Germany and Switzerland, but lower than that of Australia and India (*Figure 2*). If the US experience is unexceptional in this respect, it is worth noting that the different pace of centralization in the legislative compared to the administrative sphere has meant that the states have progressively taken on the task of administering federally designed policies. In other words, the United States has moved away from the dualism of its original federal design rather significantly (Kincaid 2019, 178).

As *Figure 3* shows, de/centralization trends in the fiscal sphere were notably different. In most cases – the United States included – there was much less dynamic centralization in the fiscal than in the legislative sphere. The United States also scored comparatively low in terms of static fiscal centralization in 2010. The much-discussed growth of grants-in-aid – numbering 1,319 in 2017 funded at \$749 billion in 2019 (Dilger 2017; USOMB 2019: 241) – although in itself another important aspect of the departure from dual federalism, should thus be put into perspective.

The data suggest that dynamic centralization is, in most cases, cumulative and slow-moving, proceeding in largely linear fashion through numerous small steps. Its magnitude is, to an extent, a function of static de/centralization at the outset. Federations, such as the United States,

that started from a very low level of static centralization experienced the deepest process of dynamic centralization. If direction and magnitude tend to be consistent across most cases, the instruments through which the process unfolds are more peculiar to each federation.

We found that dynamic de/centralization is determined by a complex interaction of factors operating in a manner reminiscent of a “funnel of causality” (Campbell et al. 1960, 24-32). Broadly, socio-economic and socio-cultural change, occasionally reinforced by economic and security shocks, produce pressures in most federations to expand the scope and reach of the central government at the expense of the autonomy of the constituent units. These largely common forces interact, however, with the widely different structural features of each federation and are thus refracted in different ways in different contexts. Prominent among those structural features are the degree of economic integration and the relative strength of citizen identification with the constituent units compared with the federation as a whole. These interactions shape collective attitudes towards the federal balance and generate incentives and/or constraints on political actors. High economic integration and strong identification with the federation tend to foster centralization; where these conditions are weaker, public attitudes tend to resist centralization and even favor decentralization. Political actors react to these incentives and/or constraints within the institutional framework of each federation (Dardanelli et al. 2019b, 16).

The United States conforms to this general picture in several respects. First, it experienced high centralization in the legislative sphere but less centralization in the other two spheres. Second, despite its strongly “dual” model at the

outset, the system turned markedly more “administrative” over time as the states became, in many respects, administrative arms of the federal government. Third, economic integration and the evolution of citizen identification were important drivers. Fourth, collective attitudes, especially those fostered and disseminated by interest groups, acted as key intervening variables.

The specific US path was more distinctive, however. Formal constitutional amendment played a minor role, whereas congressional activism, changing Supreme Court orientations, and the use of conditional grants took center stage. These distinctive traits can be accounted for primarily by some key institutional features of the US political system:

- (a) the federal Constitution’s rigidity made formal amendment arduous, hence channeling pressure for change through other instruments;
- (b) the presidential system (the United States being the only presidential federation among our six cases) gave Congress greater scope for activism compared to legislatures in parliamentary systems;
- (c) the powerful role played by judicial review lent a crucial refereeing role to the Supreme Court, but the Court’s alignment with the prevailing preferences of the elected institutions meant that this role had different effects at different times; and
- (d) the absence of fiscal equalization facilitated the growth of grants-in-aid as a tool to achieve a degree of uniformity in policy outcomes across the states in many fields.

Congress initiated the earliest federal-power expansions in fields where it possessed clear

constitutional authority, such as bankruptcy, commerce, and defense. Later, with increasing nationalization of the party system and the 1960s' demise of the bi-communalism engendered by the Old South – which had long defended states' prerogatives from federal encroachments (Gibson 2012) – Congress and the Court extended federal power into historically state policy responsibilities, such as education, health care, policing, and welfare. These were previously deemed beyond the federal government's constitutional reach. Even in these fields, though, the earliest power expansions were linked to federal constitutional duties, as in health, welfare, and education programs for merchant seamen and US military personnel. Hence, the steepest overall increase in centralization occurred after the 1950s (Kincaid 2019).

Preliminary data since 2010 suggest that centralization continued under President Barack Obama, although at a moderate pace, due partly to Republican control of the House after 2010 and also of the Senate after 2014. Centralization might plateau under President Donald Trump because of his deregulation initiatives and continued Republican control of the Senate, although, to date, many of Trump's executive regulation-rollbacks have been blocked by courts. His long-term impact is likely to be modestly decentralizing, however, because his U.S. Supreme Court appointees will support state-friendly rulings on some policy matters.

## Conclusions

Measuring changes in the distribution of powers between the central government and the constituent governments of a federation over time is crucial to the comparative study of federalism. It was long hampered, however, by problems of conceptualization and methodology. With a recent project culminating in the De/Centralisation Dataset, we sought to make progress by developing a conceptual and methodological framework for studying dynamic de/centralization, and measuring its extent across 22 policy and five fiscal categories across six major federations from 1790 to 2010. The data we collected reveal broad similarities across cases but also some stark differences. Against this backdrop, the United States broadly fits the generally prevailing pattern. Its dynamic de/centralization trajectory closely matched that of other pre-World War I federations, such as Switzerland and Australia. In terms of static centralization in 2010, the United States displayed a comparatively high score – though clustered together with the other federations except Canada – in legislation, a medium-level score in administration, and a low score in the fiscal sphere. In its federal system, at least, the United States is thus a mainstream case whose study can shed much light on the evolution of federalism globally. ●



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