Federalism is a central feature of the American system of government, with state and federal governments sharing different responsibilities. The institution of federalism laid out in the Constitution was a compromise between founders with competing economic and political interests, and the tensions it bears continue to highlight the strains of a growing rural-urban divide today (Pope and Treier 2015, Rodden 2010). Federalism has been used to withhold democratic ideals and rights from certain groups of individuals — as a defense of slavery in the face of a growing national public opposed to slavery (Riker 1964). Federalism has also given power to those striving for national change, who can start by raising their voices at the local level (Schickler 2016). Thus, in different contexts, federalism can be wielded both for harm and for good. Overall, federalism can improve substantive and descriptive representation in contexts where federal institutions are unresponsive and there is widespread political participation at a local level; however, federalism can also exacerbate problems of unequal political voice and induce externalities in situations where there are de-localized costs.

Federalism can be a helpful tool for responsiveness to Americans’ interests in the face of an unresponsive national government. The United States’s super-majoritarian political institutions have strong status quo biases (Krehbiel 1998). High levels of partisanship and polarization have made it difficult for Congress to pass significant legislation that meets the needs of American citizens (Barber and McCarty 2013, Howell and Moe 2018). Even now, as many Americans anxiously await additional economic relief during the COVID pandemic, partisan disagreements have dramatically slowed progress through Congress. In times when national institutions are often caught in gridlock, federalism allows progress to still be made at the state and local level. While the national Democratic party remained reluctant to take on a civil rights agenda in the first half of the 20th century, avoiding issues that might fracture the
Democrats’ New Deal coalition, civil rights became a key part of Democrats’ agenda in local politics, leading to an eventual realignment at the national level (Schickler 2016). Even this year, federalism allowed public health offices and governors to act decisively and independently in response to the COVID-19 pandemic even when the national government failed to do its part. Thus, federalism can raise voices and make progress at a local level when the national government is unresponsive, bolstering substantive representation (Pitkin 1967).

Federalism can also increase descriptive representation when there is widespread political participation at the state and local level. The United States is not geographically and demographically homogeneous (Rodden 2010). Consequently, a body of representatives that looks like the nation as a whole will look quite different from any particular state or county. In theory, federalism gives groups that may not be prevalent nationally a seat at the table in running local affairs. The greater diversity of one region with a large immigrant population may be better reflected in that region’s legislative bodies, bringing more perspectives into the policy-making process. This improves the deliberative functions of democratic representation (Mansbridge 1999). The greater descriptive representation at the state level can also increase trust in contexts where people feel left out of national politics. In fact, when “looking like me” is defined as “coming from the same place as me,” local governments will necessarily be more representative than national governments. In cases where regional interests may not be well-crystallized at the national level, improved descriptive representation may also improve substantive representation (Mansbridge 1999). All of this depends, of course, on the ability and willingness of a region’s constituents to participate in state and local politics. Indeed, the extremely low levels of turnout in state and local elections may thwart the promises of descriptive representation that federalism
might offer (Page and Gilens 2017). Additionally, a skew in participation will translate into a skew in who is well-represented within state and local government.

Unequal political voice is the greatest threat to democratic representation in the American system of federalism. Historically, instead of improving descriptive representation, groups interested in concentrating political power for themselves have taken advantage of federalism to exclude other groups. In particular, as cases such as Shelby County v. Holder show, a system of federalism may make it more difficult for there to be national oversight of voting rights protections (Newkirk 2018). At the same time, it is worth noting that in the 2020 elections, state-control of elections increased the independence of electoral processes from national control, in some cases increasing electoral integrity (and in some cases perhaps making policies more confusing and contentious). The question of how to aggregate votes from different districts into a legislative body is also a difficult and important problem. Because districts may be drawn to favor one political group over another, redistricting can be used as a tool by those currently in office to favor their own reelection, at a cost to both the substantive and descriptive representation of minority groups (Cameron, Epstein, O’Halloran 1996). While this is not a problem intrinsic to federalism, the institution of federalism makes it more difficult to prevent undemocratic redistricting practices.

The problem of unequal political voice is particularly pressing when it comes to money, and federalism can exacerbate these issues. It has long been observed that wealthier Americans have greater levels of political participation (Schlozman 2012), greater political voice through the action of interest groups (Schattschneider 1960), and greater success in influencing policy outcomes (Page and Gilens 2017). Even within interest groups that represent underrepresented groups, there are marginalized subgroups (Strolovitch 2006). Thus, at all levels of government
there is unequal representation across the socioeconomic spectrum. While many industries and wealthy Americans focus their efforts to obtain favorable policies at the national level, state and local governments may be particularly susceptible to moneyed interests. Because state and local governments often have far fewer resources, they may have a greater reliance on donors and interest groups to help them run campaigns and construct bills (Hertel-Fernandez 2019). There is significant evidence that donors have greater access to elected officials (Kalla and Broockman 2016). Thus, federalism can make the interests reflected in government less representative of those who are less wealthy.

Finally, federalism can come at a cost when one state’s policies have negative consequences on those in other states. Federalism gives minorities the power to act in opposition to national majorities (Riker 1964). In some cases, federalism may lead to confusing policies and large negative externalities. For example, many states have different policies over how taxation should work for remote work during the pandemic, with some people being taxed in multiple states simultaneously. Other issues such as climate policies or COVID restrictions affect both local industries and the nation at large. For issues like these, a unified national response could be more efficient and effective.

In theory, even though some policy domains are most effective when implemented at the national scale, federalism can still serve a significant positive role in American democracy. It can make government more responsive to the interests of its constituents, especially when the national government is gridlocked, and it can improve descriptive representation. However, federalism can only effectively fulfill these functions if we ensure that all members of society are granted their political voice. In many ways, the effects of federalism on democracy depend on who is using them and the fairness of democratic systems at the state and local level.