

Federalism, Government Growth, and Policy Capacity

POSC 315: Introduction to Public Policy

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Fall 2024 - Week 2, Lecture 2

Introduction

- Recap of previous lecture
- Overview of today's topics

Federalism - Evolution of Federal-State Relations

The Constitutional Order - Federalism

- **Definition:** Distribution of power and authority on a geographical basis
- **Purpose:** A system of checks and balances to prevent tyranny

Eras of Federalism

■ Dual Federalism (1789–1933)

- “Layer Cake Federalism”
- Federal role limited to “enumerated” powers



Figure 1: layer cake

- **Cooperative Federalism (1933–1964)**
 - “Marble Cake Federalism”
 - Federal and state governments collaborate



Figure 2: marble cake

■ Creative Federalism (1964–1980)

- “Picket Fence Federalism”
- Federal government interacts directly with local governments



Figure 3: picket fence

■ New Federalism (1980–2012)

- “Pineapple Upside Down Cake Federalism”
- Increased discretion for state and local governments



Figure 4: pineapple upsidedown cake

■ **Fragmented Federalism (2012–Present)**

- Federal government pursues state-specific policies
- COVID-19 response as an example

Fiscal Federalism

- Federal: Redistribution of wealth
- State: Funding of services
- Local: Direct provision of services
- Block Grants vs. Categorical Grants
- Unfunded Mandates

Case Study - Federalism in Action

- **Example:** Examine the implementation of the Affordable Care Act (Obamacare)
- **Discussion:** How does this case illustrate the challenges and opportunities of federalism?

Growth of Government

Key Points

- Government today is larger and more impactful
- Increase in departments, agencies, and employees
- Shift from a free-market to a regulated economy
- Citizen demands for government action continue to rise

Historical Context

- Growth since the nation's founding, driven by:
 - Industrialization
 - Social welfare needs
 - Global responsibilities
- Major expansions: New Deal, Great Society, Post-9/11 security state

Interactive Poll - Government Growth

- **Poll Question:** Should government continue to grow to meet new challenges, or be scaled back? Why?
- Use online polling tool and discuss results

Government Institutions and Policy Capacity

Policy Capacity

- Definition: The government's ability to identify, assess, and respond to public problems
- Influenced by institutional structure, resources, and expertise

Structure and Challenges

- Checks and balances
- Fragmentation of power
- Vertical and horizontal separation of powers
- Stalemate during divided government
- Increased polarization and difficulty in finding common ground
- Information asymmetry between branches and levels of government

State Variation in Policy Capacity

Decentralization

- Varies by state due to:
 - Size and population
 - Economic resources
 - Political culture

Implications

- Effectiveness: ability to achieve policy goals
- Efficiency: optimal use of resources
- Equity: fair distribution of benefits and burdens

Challenges

- States' policy performance varies, influenced by:
 - Financial resources
 - Technical expertise
 - Local political pressures
 - Interest group influence

Summary and Q&A

- Recap key points
- Questions?

Reading Assignment, Kritik, and Next Week