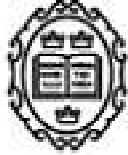


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# Competing Approaches to the Study of American Federalism and Intergovernmental Relations

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*The development of theory in the study of American federalism and intergovernmental relations has long been marked by divergent approaches. This article reviews the literature produced by five "schools" within the field: (1) dual federalism, (2) cooperative federalism, (3) pragmatic federalism, (4) noncentralized federalism, and (5) nation-centered federalism. As different as these approaches are, scholarly work in this field has made only sparing use of two other potentially useful approaches: distributive justice and public choice theory. This article suggests how these alternate approaches might contribute to reinvigorating a field that appears to be otherwise at an intellectual impasse.*

Thomas J. Anton argued in a recent essay that "[W]e need to develop analytic concepts capable of organizing the wealth of available information [about American federalism] into general statements regarding system structure and change. If we can do so, politics as well as scholarship may be enhanced."[1]

Before this issue can be addressed fully, however, it is necessary to deal with certain normative and conceptual problems that plague the study of federalism and intergovernmental relations (IGR). We plan to treat two such problems in this article. First, how have the operations of American federalism and IGR been generally understood by scholars during the past fifty years? Second, would the competing approaches that have characterized much of the literature benefit from other perspectives that have received some recent attention in political science?

In an article as brief as this one, it is impossible to do justice to each of the major approaches. Instead of aiming at a comprehensive review of the literature, we intend to focus on a small number of critical issues by drawing selectively from what we regard either as important or representative works

[1]Thomas J. Anton, "Intergovernmental Change in the United States: An Assessment of the Literature," *Public Sector Performance,* ed. Trudi C. Miller (Baltimore: Johns Hopkins University Press, 1984), p. 52. See also Anton's "Decay and Reconstruction in the Study of American Intergovernmental Relations," *Publius: The Journal of Federalism* 15 (Winter 1985): 65-97.

in the field. We organize these works into five relatively distinct approaches: (1) dual federalism, (2) cooperative federalism, (3) pragmatic federalism, (4) noncentralized federalism, and (5) nation-centered federalism. Each of these will be reviewed before we raise certain questions about them in light of two other perspectives: "distributive justice" and "public choice." These latter two perspectives have come to play an important role in other subfields of political science, but they have not made significant inroads into studies of American federalism and IGR. While we hold no particular brief for either of these perspectives, we argue that each deals with issues of considerable importance that have tended to be ignored by contributors to American federal studies.

## A DEFINITIONAL PROBLEM

Continuing uncertainty about an appropriate name for the field of studies reviewed here is itself evidence of the conceptual problems we intend to discuss. Too much can be made, perhaps, of the distinction between "federalism" and "intergovernmental relations," since many scholars pass easily from the use of one term to the other. Nonetheless, we feel that the separate but overlapping existence of the two terms reflects a continuing and important conceptual division that needs to be dealt with more explicitly before the field can undertake the kind of empirical research championed by Anton.

For the purpose of highlighting the conceptual distinctions commonly drawn between federalism and IGR, one leading textbook defines "federalism" as an "arrangement" whereby: 1) the same territory and people are governed by two levels of government . . . ; 2) the existence of each level is protected from the other; and 3) each may exert leverage on the other."[2] In contrast, the same authors define IGR, in part, as "the interactions, attitudes, and behavior of both elected and appointed officials and bureaucrats of two or more governmental jurisdictions functioning in their public capacities." Those relations involve interactions among "officials and bureaucrats" not only in national-state terms but also in respect to "interstate, state-local, interlocal, and national-local relations."[3]

Although these and like definitions are somewhat attentive to the character of the conceptual issues that divide the field, they fail to deal explicitly with matters related to differences in *units of analysis* and *levels of analysis*. These

[2]Parris N. Glendening and Mavis Mann Reeves, *Pragmatic Federalism* (2nd ed.; Pacific Palisades, Cal.: Palisades Publishers, 1984), p. 11. For a similar definitional treatment, see Daniel J. Elazar, *American Federalism: A View From the States* (3rd ed.; New York: Harper and Row, 1984), p. 2.

[3]Glendening and Reeves, *Pragmatic Federalism,* p. 13. Similarly, Deil Wright distinguishes IGR from federalism by arguing that IGR "includes a range of activities and meanings that are neither explicit nor implicit in *federalism.*" Deil S. Wright, *Understanding Intergovernmental Relations* (3rd ed.; Pacific Grove, Cal.: Brooks-Cole, 1988), p. 37. In his subsequent discussion of the concept (pp. 31-39), he highlights interactions both among governmental units—going well beyond nation-state relations—and among public officials.

different concerns have sometimes led scholars to talk past each other when fruitful intellectual exchanges might result from greater analytic clarity.

It is our contention that the core units for the study of American *federalism* remain the national and state governments. At the same time, if students of federalism and IGR are to engage in constructive dialogue, each must pay greater attention to how the structure of relations among core units produces constitutional "rules" that affect the behavior of "officials and bureaucrats." Rather than reducing the importance of studying the constitutional order and the laws derived therefrom (including judicial decisions), it would be enriching to address American federalism in terms of the *macro-level* analyses associated with traditional federal studies and the *micro-level* analyses characteristic of the study of IGR.

## DUAL FEDERALISM

The "dual federalism" model emphasized the constitutional dimensions of federal theory. This legalistic focus represented a relatively narrow view of the relations that properly exist between the national government and the states. In this theory, as Richard Leach has written:

> The national and state governments form two separate centers of power, from each of which the other is barred and between which is something like a jurisdictional no-man's land into which both are barred from entering. Each government in its own sphere is sovereign, and there is an essential equality between them.[4]

Many criticisms have been directed at dual federalism both in respect to the theory and its description of reality.[5] What is most important for present purposes is how certain perspectives advanced by scholars oriented toward that tradition continue to influence thinking about federalism and IGR, including the body of scholarship that has provided the intellectual basis for the brand of New Federalism advanced by the Reagan administration.[6]

Dual federalism tended to reify the legal conception of "states" and a "national" government, treating each as if it were a discrete political actor.[7] Thus, dual federalism presupposed that a "state" (including its legally dependent constituent elements, such as local governments) spoke with one discern-

[4]Richard H. Leach, *American Federalism* (New York: W. W. Norton, 1970), p. 13.

[5]See, for example, Daniel J. Elazar, *The American Partnership* (Chicago: University of Chicago Press, 1962), esp. pp. 21-24.

[6]See many of the contributions to Robert B. Hawkins, Jr., ed., *American Federalism: A New Partnership for the Republic* (San Francisco: Institute for Contemporary Studies, 1982). Also see, A. E. Dick Howard, "*Garcia*: Of Federalism and Constitutional Values," *Publius: The Journal of Federalism* 16 (Summer 1986): 17-31.

[7]Similarly, in Allison's rational actor model, the behavior of an entire government is conceived to be analogous to that of one calculating individual who makes choices. This is the traditional "state-as-actor" model that is often used to explain and predict phenomena in international politics and foreign policy. See Graham T. Allison, *Essence of Decision* (Boston: Little, Brown, 1971), pp. 10-38.

ible and coherent voice. Similarly, it proceeded as if consistent constitutional positions existed among the principal institutional leaders of the national government on matters of importance. While occasions for institutional conflicts among governments arose with some regularity under the actual operations of federalism, the fault lines were often much more complicated than the simple juxtaposition of "national" and "state" interests would indicate. Indeed, differences among participants operating *within* the same governmental sphere were as likely to occur as conflicts *among* governments.

The misplaced concreteness of those who worked within the dual federalism framework led scholars in this tradition to minimize their concern with the behavioral problems inherent in their arguments. For example, dual federalism failed to take into account the crosscutting loyalties involved in performing linkage roles in the federal system, most notably by members of Congress. Senators and representatives might be viewed alternately as belonging to national and state or local governmental arenas, or to two (or more) simultaneously. Indeed, despite its concern with constitutional rules, one of the major shortcomings of dual federalism was its failure to extract from its examination of institutional arrangements an understanding of how institutions shaped macro-level "rules" for behavior and how those rules, in turn, could be reshaped by the micro-level behaviors of system participants in the course of advancing their personal and collective interests.

## COOPERATIVE FEDERALISM

The substitution of an "open systems" approach, which ultimately came to characterize the study of IGR, in place of the institutional analysis emphasized by students of dual federalism was an important contribution of the behavioral movement in political science that began in the 1950s. Behaviorally oriented scholars of IGR extended the range of the field by including in their purview a concern not only with the attitudes and interactions of national and state officials, but also with the activities of local officials. The admission of local officials to the intergovernmental "game" constituted the first step down the path toward the inclusion of other participants—policy professionals, for example, and persons from governmental and private interest organizations.

The new emphasis on the study of behaviors in IGR need not have resulted in the particular findings that emerged from among the first generation of behavioral scholars. Nonetheless, influential figures like Morton Grodzins and Daniel J. Elazar contributed to a conception of federalism as an enterprise in which the attitudes and material interests of participants were shared to a considerable degree.[8] In contrast to dual federalism, with its structural separation among governments, Grodzins' "sharing hypothesis" focused on the achievement of common purposes through the interactions of actors

[8]Morton Grodzins, *The American System* (Chicago: Rand-McNally, 1966); Elazar, *The American Partnership*.

located in a variety of governmental and nongovernmental bodies. The appearance of the political processes associated with these interactions might be one of "mild chaos," but the product was a flexible and responsive political system.

In addition to contending that such a pattern of relations prevailed among national, state, and local officials at mid-century, Elazar read a substantial degree of that cooperation back into the history of the nineteenth century.[9] The result was to displace the Manichean character of dual federalism with a new behavioral orientation that stressed the accommodative side of IGR: how officials and bureaucrats from various governments could and frequently did work together to achieve political and policy goals.

Consistent with the spirit of early behavioralism, Grodzins argued that the way to understand the operation of the federal system was to examine what actors involved in the system did, rather than what the founders or the lawmakers who came after them claimed to be doing. Thus, in the historical work done by Elazar and in the studies of his own times undertaken by Grodzins, much effort was expended on highlighting the existence of a gap between the realities of intergovernmental behaviors and the dual federalism model derived from interpretations of the U.S. Constitution. This emphasis on common interests may have contributed, however, to an underestimation of the conflict inherent in the American political system. Thus, it seems to us that Elazar's discovery of important instances of cooperation among national, state, and local government officials in the nineteenth century had the effect—whether intended or not—of drawing attention away from major conflicts in that century, including the Civil War.[10]

It is difficult to be sure how much of the acceptance of the cooperative federalism model was attributable to trends in scholarship in political science, which were then stressing pluralist principles in decisionmaking,[11] how much it reflected the state of intergovernmental relations during the Eisenhower years,[12] or how much the cooperative model represented a certain wistful desire for harmony after years of national turmoil. Yet, even as cooperative federalism was becoming the new orthodoxy of scholarship in the early 1960s and its associated "marble cake" was finding its way into the textbooks of American politics, it was also running up against the political and policy bat-

[9]Elazar, *The American Partnership.* For a critique of Elazar's historical analysis, see Harry N. Scheiber, "The Condition of American Federalism: An Historian's View," *Controversies in State and Local Politics*, eds. Mavis Mann Reeves and Parris N. Glendening (Boston: Allyn and Bacon, 1972), pp. 64–92.

[10]Characteristically, Elazar argues that cooperative tendencies existed alongside separatist ones in the South during the period leading up to the Civil War. *The American Partnership*, pp. 330–333.

[11]The classic study is Robert A. Dahl, *Who Governs?* (New Haven, Conn.: Yale University Press, 1961).

[12]As "cooperative" as the bulk of intergovernmental relations may have been in the 1950s, it is easy to forget that the foundation for the modern civil rights movement was being laid at that time. See, for example, Grodzins' brief discussion of the Little Rock episode in the course of his discussion of the positive side of relations between a small community near Little Rock and the national government at the time. Grodzins, *The American System*, pp. 171–174.

tles of that era. What happened in the practice of IGR during those years is still a matter of considerable dispute. What is of more immediate concern is that it threw the study of federalism and IGR into something of a paradigmatic disarray from which it has still not recovered.

The effective result was to create some dispersion of intellectual resources. A few scholars continued to concern themselves with the study of federalism from a constitutional and doctrinal perspective, while students of IGR undertook studies of political and policy behaviors influenced very little by the kinds of concepts associated with dual federalism and only modestly more so by cooperative federalism. However, a broadly accepted replacement for cooperative federalism proved to be elusive. Instead, we have gotten a succession of adjectives attached to the concept of federalism, ranging from "creative" to "competitive" to "calculative" to "birthday cake,"[13] none of which has focused sustained thinking about the field as a whole.

Still, it is possible to highlight three general types of responses to the deficiencies of dual and cooperative federalism: *pragmatic federalism,* which abandoned all hope of developing analytical frameworks in favor of descriptions of interactions among participants in IGR; *noncentralized federalism,* which sought to bridge some of the conceptual distance between dual federalism and behavioral approaches to understanding IGR; and a more *nation-centered federalism,* which attempted to reconcile the increasing power of the national government with a concern for the recognition of federal values in American politics.

## PRAGMATIC FEDERALISM

The early promise of behavioral research in IGR—that it would result in the identification and measurement of regularities in the interactions among officials and bureaucrats in the course of their making and administering public policy—has resulted in a substantial body of descriptive studies. However, there is very little theory associated with these efforts. Under the circumstances, we can sympathize with the conceptual nihilism reflected in the following comments on understanding the "federal system" by Richard Leach:

> 'System' suggests a regularly interacting group of power units, a power network, which performs its functions in a steady flow. That simply is not descriptive of federalism. Units there are a plenty, and interactions in great quantity, but there is nothing regularized about it, nor is there a steady flow of output.

[13]The first term has been applied widely to the Johnson administration; the second and third are creations of Wright, *Understanding Intergovernmental Relations,* 3rd ed., pp. 81-99; the last is taken from Aaron Wildavsky's essay by that title in Hawkins, *American Federalism,* pp. 181-191. For one effort to sort out the labels, see William H. Stewart, *Concepts of Federalism* (Lanham, Md.: University Press of America, 1984).

> Power in the federal system moves irregularly. . . . It is characterized by disorder and seldom moves twice in precisely the same way to accomplish its objectives.[14]

Pragmatic federalism reflects the presence of a variety of governmental and nongovernmental entities—federal, state, and local officials and bureaucrats; professional networks; private and public interest groups—in the diverse intergovernmental policy systems developed to deliver public resources or regulate behaviors within the American political system. At the same time, such inclusiveness leaves open to question what it is that distinguishes the study of IGR, in particular, from the study of American politics, in general. Perhaps the answer is "nothing." Alternately, the field demands a more careful conceptualization of the boundaries of IGR and a proper understanding of the units of analysis within that field.

Parris N. Glendening and Mavis Mann Reeves characterize pragmatic federalism as a system marked by "constantly adjusting intergovernmental relations, fashioned to current needs, with an emphasis on problem solving and a minimal adherence to rigid doctrine."[15] Furthermore, they argue, in contrast to the kind of understandings associated with dual federalism and its progeny, that: "The federalism set up 200 years ago was not an embodiment of any particular philosophy nor was it an excessively legalistic undertaking."[16] The result of this perspective is explicitly atheoretical.[17]

Glendening and Reeves contend that pragmatic federalism only sketches the contours of a process that involves doing whatever a situation requires. They are also concerned with identifying the principal players in that process based on an examination of the behaviors of those who declare a stake in the intergovernmental policy game. They are disconcertingly mute, however, when it comes to evaluating the products of this process. Instead, they seem willing to stamp any outcome with the imprimatur of legitimacy if that result is a "workable" or "pragmatic" one. Under the circumstances, it is not likely that decisions will be designed with the long-run health of the political system in mind. Instead, pragmatism is the only test appropriate for assessing, explaining, and predicting IGR.

Several types of literature may be associated with pragmatic federalism, particularly those that have made use of quantitative data. First, much of the literature of *fiscal federalism* may be placed under this rubric. For example, substantial work has been done on attempts to sort out the fiscal implications of intergovernmental revenue transfers.[18] Second, a series of

[14]Leach, *American Federalism*, p. 59.

[15]Glendening and Reeves, *Pragmatic Federalism*, p. 329.

[16]Ibid.

[17]Ibid., p. 12. In this connection, Glendening and Reeves quote Leach's statement that for some scholars American federalism is not so much a system as it is "characterized by disorder."

[18]See the chapters on fiscal federalism in the texts by Glendening and Reeves and by Wright. Also see, David B. Walker, *Toward a Functioning Federalism* (Cambridge, Mass.: Winthrop, 1981), pp. 158-191.

descriptive studies of particular programs, such as General Revenue Sharing and the Community Development Block Grant, have received attention because of the opportunities for analyses of the distributional patterns involved.[19] Third, a body of work has concerned itself with measuring the public's and officials' attitudes toward IGR.[20] On the whole, the analysis is more concerned with treating immediate issues in IGR or public policy than in linking particular findings to more fully developed theory.

A related body of literature in the pragmatic tradition focuses on studies of intergovernmental program relations. Among the classic works of policy analysis, such scholars as Jeffrey L. Pressman and Aaron Wildavsky have spoken to matters of concern to students of IGR.[21] While such studies have raised serious questions about the appropriateness of intergovernmental mechanisms for delivering program resources to state and local governments and bringing about changes in the behaviors of state and local officials, the lessons to be drawn from these studies are open to dispute.

One type of argument is that there are programs which the intergovernmental system can handle reasonably well, while other programs are more contentious and less likely to be successful locally.[22] However, students of intergovernmental programs differ on whether the best alternative in the case of poor program performance is to create federally administered programs, to leave certain areas of policy to state and local governments, to make changes in existing program arrangements, or to encourage the private market to act without direct government involvement.

In any case, one clear lesson can be drawn from the pragmatic federalism literature, namely, that the field has moved away from the model of cooperative federalism propounded by Grodzins. Instead, recognition of intergovernmental conflict and an emphasis on bargaining behaviors is now central to the literature.[23] Still, efforts to formalize the study of intergovern-

[19]See Richard P. Nathan and Charles F. Adams, Jr., and Associates, *Revenue Sharing: The Second Round* (Washington, D.C.: Brookings Institution, 1977); Paul R. Dommel et al., *Decentralizing Community Development* (Washington, D.C.: U.S. Department of Housing and Urban Development, June 1978); and Paul R. Dommel and Associates, *Decentralizing Urban Policy* (Washington, D.C.: Brookings Institution, 1982).

[20]Wright, in particular, has been concerned with collecting and analyzing empirical data on attitudes toward IGR held by officials. See his *Understanding Intergovernmental Relations* (1981), especially Chapters 9-12. On public attitudes toward the distribution of functions among governments, see Mavis Mann Reeves and Parris N. Glendening, "Areal Federalism and Public Opinion," *Publius: The Journal of Federalism* 6 (Spring 1976): 135-167; and Mavis Mann Reeves, "Public Opinion and Federalism, 1986," *Publius: The Journal of Federalism* 17 (Summer 1987): 55-65.

[21]Jeffrey L. Pressman, *Federal Programs and City Politics* (Berkeley: University of California Press, 1975); and Jeffrey L. Pressman and Aaron Wildavsky, *Implementation* (2nd ed.; Berkeley: University of California Press, 1979). Also see, Daniel P. Moynihan, *Maximum Feasible Misunderstanding* (New York: The Free Press, 1970); and Donald C. Baumer and Carl E. Van Horn, *The Politics of Unemployment* (Washington, D.C.: Congressional Quarterly Press, 1985).

[22]For such a distinction, see Paul E. Peterson, Barry G. Rabe, and Kenneth K. Wong, *When Federalism Works* (Washington, D.C.: Brookings Institution, 1986).

[23]See, for example, Helen Ingram, "Policy Implementation Through Bargaining: The Case of Federal Grants-in-Aid," *Public Policy* 25 (Fall 1977): 499-526.

mental behaviors using such concepts has remained inchoate.[24]

## NONCENTRALIZED FEDERALISM

For Elazar, who was so closely associated with the development of the cooperative federalism model, the experiences of the 1960s appear to have raised troubling issues which are reflected in the reorientation of his subsequent work, and in the direction of the work of others who share his way of thinking. The principal reason for Elazar's revision of his treatment of cooperative federalism appears to lie in his concern about the consequences for the American political system of the style and substance of nation-centered decisionmaking that evolved during the Johnson administration. Thus, by 1972, Elazar could write:

> so well has the idea of cooperative federalism been accepted that federal authorities have been able to use it to advance their notions of concentrated cooperation at the expense of established state prerogatives, raising the rather ironic question of whether the existence of the old theory of dual federalism, inaccurate as it was in the description of empirical reality, was not more functional for the health of the federal system by assuring that federal actions had to be constitutionally justified in a way that they do not have to be anymore.[25]

In the several editions of *American Federalism: A View From the States* that have appeared since 1966, Elazar has elaborated an argument that combines features of traditional concerns with federalism with more behavioral materials of the kind commonly associated with IGR. At a theoretical level, in particular, his approach has been in accord with both dual federalism and cooperative federalism to the extent that both depend upon equilibrium theory—a notion that the normal state of the American political system is one of balance. However, where dual federalism relied on formal institutional arrangements that flowed from the Constitution to maintain a balance between the national government and the states, cooperative federalism depended more on political structures and cultural forces.

Thus, Grodzins' original formulation of cooperative federalism premised state and local autonomy on the effects of such institutional mechanisms as locally based political parties and the parochial electoral concerns of members of Congress. He paid little attention to institutional considerations. Elazar's work after 1966 accorded considerably greater importance to such structural factors.

Elazar's argument was linked to the critical role played by local and regional political cultures in underwriting sectional diversity and sustaining a federalized political system. Indeed, the employment of cultural explanations as a

[24]On some of the issues involved in studying bargaining behaviors, see Donald B. Rosenthal, "Bargaining Analysis in Intergovernmental Relations," *Publius: The Journal of Federalism* 10 (Summer 1980): 5-44.

[25]*American Federalism,* 2nd ed., p. vi. The same sentiment is essentially restated in the 3rd edition on p. x.

way of distinguishing among national and subnational political behaviors provided a means for legitimating the continuities in noncentralized political behaviors without having to rely heavily on more formal legal distinctions of the kind associated with dual federalism. Thus, Elazar's formulations of diverse political cultures along with his notions of states as "civil societies" and localities as "civil communities" provided a cultural and political rationale for a federal order in which much power and programmatic responsibility remained in the hands of state and local officials. At the same time, his treatment of noncentralized federalism has been played out against a sense of foreboding that events have overtaken noncentralization. Even in the latest edition of *American Federalism,* centralizing politicians and bureaucrats based in Washington still threaten the integrity of the federal system.

While Elazar's model incorporates important behavioral elements, one critical problem lies at its core: if noncentralization is the normal state of the American political system, what brought about its decay? The explanation appears to lie in two areas: (1) Jacobinism, by which he means that ambitious national politicians have overreached themselves by using egalitarian appeals to gain support for national power, and (2) managerialism, a style of thinking that has existed since the turn of the century, particularly with respect to administrative matters, which has provided a basis for bureaucratic approaches to problem-solving that carry centralizing consequences.[26]

Although Elazar's treatment of noncentralization is a way of accommodating the macro-level emphases of federalism with the micro-level concerns of IGR, his handling of matters bearing on civil equality and distributive justice raise some questions. Like other approaches to the study of federalism and IGR—save, perhaps, pragmatism and nation-centered federalism—noncentralization has encountered difficulties in squaring federalism with demands for greater social and economic equality in American society.

## NATION-CENTERED FEDERALISM

Theories of federalism have always had to contend with understandings of American government and politics that emphasized nationalist considerations. Indeed, it can be argued that the Constitution was created and promoted by men (notably Alexander Hamilton and, to a lesser extent, James Madison) whose commitment to nationalism was strong.[27] Even in the supposed heyday of dual federalism, nationalist sentiments were not uncommon. Thus, in a 1913 Supreme Court decision, one finds the following remarks included in the majority opinion by Justice Joseph McKenna:

[26]Elazar, *American Federalism,* 3rd ed., pp. 3-9. Also see his "Is Federalism Compatible with Prefectorial Administration?" *Publius: The Journal of Federalism* 11 (Spring 1981): 3-22.

[27]In that connection, see Martin Diamond, "What the Framers Meant by Federalism," *A Nation of States,* ed. Robert A. Goldwin (Chicago: Rand-McNally, 1974), pp. 25-41; Rozann Rothman, "The Ambiguity of Federal Theory," *Publius: The Journal of Federalism* 8 (Summer 1978): 103-122; and Herbert J. Storing, *What the Anti-Federalists Were For* (Chicago: University of Chicago Press, 1981).

> Our dual form of government has its perplexities, state and nation having different spheres of jurisdiction . . . but it must be kept in mind that we are one people; and the powers reserved to the states and those conferred on the nation are adapted to be exercised, whether independently or concurrently, to promote the general welfare, material and moral.[28]

Political developments and changes in constitutional doctrines beginning in the late 1930s reinforced nationalist ways of thinking. Still, as late as 1950, Edward S. Corwin published an essay on "The Passing of Dual Federalism" in which he remarked on the way traditional notions of state powers had been

> overwhelmed and submerged . . . so that today the question faces us whether the constituent States of the System can be saved for any useful purpose, and thereby saved as the vital cells that they have been heretofore of democratic sentiment, impulse and action.[29]

A diametrically different tone could be found in the work of William Anderson, who supported the movement toward enhanced national power. Arguing in 1955 against the "states' rights" position that surfaced after World War II, he wrote:

> As long as effective popular controls are continued over government—and they are fully as effective over the national government as they are over most state and local governments—what is the reason to fear "bigness" and "centralization" in government? I think the case against centralization and bigness has not been proved. As long as the individual is not lost sight of, it seems to me that it is just as safe and in many ways more effective and even more moral and responsible, to think in big terms and to act in big units as it is to think and act in small terms and small units. . . . Moral virtue lies in individual choices and actions, not in the sizes of the groups through which men work.[30]

In recent times, only a few political scientists who have written about federalism and IGR have clearly identified themselves as nationalists to the same extent as Anderson.[31] More commonplace have been arguments concerned with analyzing policy outcomes that carry nationalizing implications. One such statement is contained in James Sundquist's 1969 study of major program innovations promoted during the Johnson administration. Much

[28]This passage is from *Hoke* v. *United States,* 227 U.S. 308, 322 (1913), cited in Edward S. Corwin, "The Passing of Dual Federalism," *Virginia Law Review* 36 (February 1950): 20.

[29]Ibid., 23.

[30]William Anderson, *The Nation and the States, Rivals or Partners?* (Minneapolis: University of Minnesota Press, 1955), pp. 242-243.

[31]One notable exception is Theodore J. Lowi, especially *The End of Liberalism* (2nd ed.; New York: W. W. Norton and Co., 1979). Also see, William H. Riker, "Federalism," *Handbook of Political Science,* vol. 5, *Governmental Institutions and Processes,* eds. Fred I. Greenstein and Nelson W. Polsby (Reading, Mass.: Addison-Wesley, 1975), pp. 93-172. The flavor of Riker's argument is suggested by his comment that "the main effect of federalism since the Civil War has been to perpetuate racism." With the nationalization of policy on racial matters, he argues, "the chief significance of federalism in the United States seems to be the protection of some business interests against the juggernaut of the 'liberal' bureaucracy in Washington" (p. 154).

of the book, revealingly titled, *Making Federalism Work,* focuses on the problems of designing and delivering particular programs. However, the surface pragmatism avowed by Sundquist belies a willingness to lodge increased authority for management of the intergovernmental system in the national government, particularly in the president. The result is a much stronger argument in favor of centralization than is ordinarily found in the IGR literature. That spirit is evident in the following passage:

> In a democratic, pluralistic society, no system of intergovernmental relations can be established through a single action, or even a series of actions; it evolves. But the evolution, if the result is to be a *system* of relationships rather than a jumble, must be guided according to a consistent set of principles and governing doctrine. . . . The guidance, however, can come from but a single source of authority—the President. It is he who must apply the principles and the doctrine in proposing legislation to the Congress and in directing the execution of the laws.[32]

A similar attitude is expressed by Michael Reagan in his explication of "permissive federalism."[33] He describes the emergence of a situation in which "federal financial aid for purposes selected by the national legislature has created a *nationally dominated system of shared power and shared functions.*"[34] While Reagan links this framework to the sharing hypothesis,[35] he looks for greater movement toward the

> development of the notion of a national community, and further continued ideological acceptance of the corollary proposition that it is proper for the goals and standards of public services to be set by the national government as a basis for uniform rights of citizens no matter where they live.[36]

Reagan's version of federalism is essentially federalism at the sufferance of the national government. To him the phrase conveys the notion "that there is a sharing of power and authority between the national and state governments, but the state's share rests upon the permission and permissiveness of the national government."[37] This formulation is self-consciously normative as well as descriptive:

> Permissive federalism is good, I conclude, exactly because it can strengthen the national government by permitting firm national definitions of policy objectives and program approaches at the same time that it can make all the room needed for appropriate state-local inputs to the details of program implementation.[38]

[32]James L. Sundquist and David W. Davis, *Making Federalism Work* (Washington, D.C.: Brookings Institution, 1969), p. 278. For a critique of Sundquist's approach, see Aaron Wildavsky, "A Bias Toward Federalism," *Publius: The Journal of Federalism* 6 (Spring 1976): 100–106.

[33]Michael D. Reagan, *The New Federalism* (New York: Oxford University Press, 1972).

[34]Ibid., p. 145. Italics in the original.

[35]Ibid., p. 150.

[36]Ibid., p. 155.

[37]Ibid., p. 163.

[38]Ibid., p. 167. Reagan links his argument directly to the one advanced by Lowi.

Underlying the approaches of Sundquist and Reagan one can also find a counter-paradigm to the equilibrium model present in dual, cooperative, and noncentralized federalism. The nation-centered model—and, to some extent, pragmatic federalism—flows from assumptions about political systems as developmental or historical in character. The developmental model was quite prominent in studies of comparative politics by the 1960s,[39] but its impact on the study of IGR was less extensive. Nonetheless, an important argument on behalf of the applicability of that model to IGR was made by Samuel Beer.[40]

To a considerable extent, Beer's work involved a different level of discourse than the studies by Sundquist and Reagan. Much like Elazar, Beer attempted to deal with conceptual issues at both the micro-level of official interactions and the macro-levels of system structure and system change. With respect to the latter, Beer's *Publius* essay employed concepts associated with "modernization" to examine the history of American federalism in terms of both policy emphases and the "interests" promoted by those policies. Over the course of American history, Beer argued, the forces of economic and technological integration had combined to foster increasing political centralization. The most recent period in the history of American federalism, he contended, had witnessed the rise to political power of those he called the *technocrats.*

At this point in the essay, Beer shifts to a micro-level of analysis as he discusses the critical role of technocrats embedded in "professional-bureaucratic" complexes of governmental and nongovernmental interest groups in developing and implementing public policies. It is his contention that by the late 1960s technocrats had come to employ their skills as program specialists to enact and enforce policies for which they were not politically accountable. Linking their behavior to his macro-level analysis, he argues that the result was to make technocrats at least potentially destructive of traditional federal relationships. Whatever value federalism might have had in the past was likely to be incompatible with this trend:

> What it does make highly unlikely is any attempt to increase substantially the power and autonomy of the narrower jurisdiction whether neighborhood, city or state, in relation to the more inclusive jurisdiction. Community control, home rule and states rights are doctrines with a restricted future. Decentralization is not likely to be the means by which problems of responsiveness and efficacy are met.[41]

While his essay can be read as an argument that recognizes the inevitability

[39]See, in particular, Gabriel A. Almond and James S. Coleman, eds., *The Politics of Developing Areas* (Princeton: Princeton University Press, 1960), as well as other volumes in the "Studies in Political Development" series supported by the Committee on Comparative Politics of the Social Science Research Council during the period.

[40]Samuel H. Beer, "The Modernization of American Federalism," *Publius: The Journal of Federalism* 3 (Fall 1973): 49–95.

[41]Ibid., 93.

of centralization in the modern polity, the reservations that Beer expresses about a system dominated by technocrats are also quite clear. In the end, Beer appears to take only slight comfort in the notion he advances that further nationalization may heighten "national consciousness, now in its fragmented and negative phase" and "may produce a new positive phase of strength and integration."[42]

If matters had been left at that point, Beer's developmental model might well have provided a major instrument for further work on American politics, including IGR, even as it delivered a negative verdict on the consequences for the political system of those changes viewed more positively by Sundquist and Reagan. A few years later, however, Beer appeared in some measure to shift ground and to abandon the developmental implications of his earlier analysis.

Notably, in his presidential address to the American Political Science Association in 1977, Beer suggested that "new arenas of mutual influence among levels of government" had arisen to balance the influence of the technocrats.[43] He sought to reconcile recent trends with traditional federal theory by emphasizing the arguments made by the founding fathers in support of nationalism. Thus, while allowing for the "territorial pluralism of state government," Beer argued that equal recognition should be given to "the social pluralism of the general government."[44] He labeled the resulting equilibrium "representational federalism" because "it gives representation in the general government to the territorial pluralism of the states and representation in the state governments to the social pluralism of the general government."[45]

By means of this formulation, Beer appeared to accept the limitations that adherence to constitutional strictures placed on further "modernization" of the political regime.[46] At the same time, he viewed with some hopefulness the possibility that technocratic power had come to be balanced increasingly by the emergence of a countervailing force, the "topocrats"—generalist officials who served as "agents of representation"[47] within an "intergovernmental lobby." Territorial topocrats, argued Beer, counterbalanced centralizing technocrats by exercising influence in the development and implementation of intergovernmental programs.[48] Even while recognizing the potentially salutary effects that might flow from this new equilibrium, Beer conceded a certain "unease" that "the new structures have a strong connotation of corporate rather than personal representation" with consequences (which he

[42]Ibid., 95.

[43]"Federalism, Nationalism, and Democracy in America," *American Political Science Review* 72 (March 1978): 9.

[44]Ibid., 15.

[45]Ibid.

[46]In this respect, Beer rejects the arguments of Michael Reagan on p. 16.

[47]Ibid., 19.

[48]Beer was particularly impressed by the influence state and local officials had exercised in bringing about creation of the General Revenue Sharing program. In that connection, see "The Adoption of General Revenue Sharing," *Public Policy* 24 (Spring 1976): 127-195.

did not clearly identify) that might be costly for "free government."[49]

While Beer's earlier developmental formulations continue to represent part of the continuing dialogue about federalism and IGR, neither they nor the writings of Reagan or Sundquist appear to have shifted the grounds of intellectual discourse substantially in the field.[50] Instead, the field has continued to be defined largely by those who view activism on the part of the national government in domestic affairs with considerable misgivings. Thus, from the 1970s on, a considerable body of scholarship has mourned the passing of "balance" in the federal system. Joining hands with those who still espouse variants of dual federalism, there are those who continually express fears for the future of what remains of a federalism in which state and local governments play less important roles.[51]

Some of the scholarship influenced by this way of thinking has expressed fears about the implications for IGR of those nongovernmental and "paragovernmental" mechanisms created by the Johnson administration in order to bring national resources to bear on social and economic problems.[52] Other scholars have highlighted the way federal "mandates"—sometimes associated with intergovernmental grants, sometimes involving direct regulatory controls—have fostered centralization.[53]

We do not wish to suggest by these comments that such writers do not have legitimate concerns about the changes that have been introduced into IGR. Still, as Richard Nathan has suggested, there is a certain "Henny Penny" tone to some of these complaints.[54]

## ROADS NOT TAKEN

Two approaches—distributive justice and public choice—are not addressed as frequently in studies of federalism and IGR as we might have expected, given the nature of recent policy debates in those areas and elsewhere in the social sciences. This is not to suggest that either approach offers the ultimate solution to the intellectual problems evident in federal studies, but each raises questions that are worth addressing by scholars, if only to crystallize thinking about the core concepts appropriate to the field.

[49]Beer, "Federalism, Nationalism, and Democracy," 20.

[50]For Sundquist's defense of his approach, see his "In Defense of Pragmatism," *Publius: The Journal of Federalism* 11 (Spring 1981): 31-37.

[51]See note 6 and many of the items that have appeared in the publications of the U.S. Advisory Commission on Intergovernmental Relations, including *Intergovernmental Perspective*, its quarterly.

[52]See, Pressman, *Federal Programs and City Politics;* and Moynihan, *Maximum Feasible Misunderstanding.*

[53]See, in particular, the work of Catherine H. Lovell, including "Mandating: Operationalizing Domination," *Publius: The Journal of Federalism* 11 (Spring 1981): 59-78; and *Federal and State Mandating on Local Governments,* Final Report to the National Science Foundation (Riverside: Graduate School of Administration, University of California at Riverside, 1979). Also see, Edward I. Koch, "The Mandate Millstone," *The Public Interest* No. 61 (Fall 1980): 42-57.

[54]Nathan's imagery is employed and expanded upon by Catherine H. Lovell in "Some Thoughts on Hyperintergovernmentalization," *Intergovernmental Relations in the 1980s,* ed. Richard H. Leach (New York: Marcel Dekker, 1983), pp. 87-97.

*The Distributive Justice Problem*

Traditional studies of federal theory and intergovernmental behaviors tended to exhibit certain normative blind spots toward social policies intended to benefit minorities and the poor. Thus, dual federalism placed greater weight on the maintenance of authority in state governmental institutions than on the consequences of such arrangements for the disadvantaged in society. Cooperative and noncentralized federalism reflected an analogous set of normative priorities in favor of maintaining the autonomy of state and local officials operating within political environments set by divergent sectional and local political cultures. Consistent with these approaches has been a tendency to focus on issues other than the consequences of these arrangements for the disadvantaged (e.g., racial minorities, women, the poor). Whether the issue was one of civil rights or of economic justice, scholars engaged in the study of federalism and IGR seem to have erred on the side of minimizing concern with members of less well-placed groups in society.

Such concerns have not been entirely absent from behavioral studies of federalism. Still, national interventions in such matters as civil rights, which involved overriding the opposition of state and local officials, raised fundamental challenges to the models of federalism espoused by scholars of both dual federalism and of cooperative federalism and noncentralization.[55] Writers like Elazar have looked with considerable distrust upon initiatives taken in these matters by the national government—whatever the ultimate ends sought—if those initiatives involved altering some of the basic arrangements underlying the federal system.

The result has been to place those scholars who value federalism in the difficult position of appearing to defend the preferences of local elites and/or local majorities almost as goods in themselves. While we can appreciate the compelling nature of a commitment to majority rule under circumstances that guarantee minority rights, we are not comfortable with the degree to which scholars of federalism fail to reflect concern with these matters in their work. Indeed, in many ways, Madison and Hamilton's arguments in *The Federalist* in favor of a relatively strong national government expressed a greater concern about the potential for tyranny on the part of local majorities than do the contemporary analyses of those who have argued on behalf of preserving a substantial measure of autonomy for the states and their localities.

A distinct but related question involves the distribution of both power and socioeconomic resources in American society. We find troublesome the reluctance of those who study federalism and IGR to grapple with the anti-

[55]Some of the strains involved in squaring the theory of cooperative federalism with demands for racial equality were reflected in an essay written by Grodzins in 1961, which was published as "Sharing and the Disadvantaged: The Changing Status of the Negroes," *The American System*, pp. 290-306. As much as Grodzins' personal sympathies supported black demands for political inclusion, the cooperative federalism model seemed unable to provide a mechanism for coming to terms with the emerging conflict.

egalitarian biases of their work. This is by no means a new criticism, for it has been one leveled for nearly thirty years against those behavioral political scientists who espouse pluralist political theories, as many scholars in IGR have done. Thus, despite the work undertaken (mainly by sociologists) on "community power structures" from the 1950s onwards, scholars of IGR have ignored the implications for their work of the way they treat intergovernmental decisionmaking processes—a way that accepts as a given the elitist biases of local and state political regimes.[56]

As a result, there has been relatively little cross-fertilization between the recent body of studies of IGR and the substantial body of literature that has emerged of late to address the relationship between the organization of economic power in American society and the behaviors of local and state government officials.[57] Contrary to traditional Marxist thinking, this "neo-Marxist" literature allows for a measure of indeterminacy in accounting for the actions of politicians and bureaucrats in exercising influence in relation to economic interests. Yet, the kinds of issues raised by these scholars—many of them bearing on local and state decisionmaking—do not seem to have captured the attention of those wedded to the conventions of established studies in IGR. Perhaps the emphasis of many neo-Marxist scholars on the impact of national and multinational economic interests on regional and local economic development gives their work more of a nationalist cast than can be absorbed readily into the institutionalism and pluralism of federal studies.

Those neo-Marxists who have emphasized the importance of empowering local populations in order to influence the way changes in the national economy impact upon government would seem to share values in common with the noncentralization model of Elazar.[58] Yet, the larger body of federal scholarship remains relatively silent about the subnational implications for federalism and IGR of major restructuring of economic arrangements in the United States.

Neo-Marxists and others have questioned the way the federal system has contributed to weakening the collective ability of localities and regions to

[56]Thus, Robert Dahl characteristically failed to address the implications of the major intergovernmental program (urban renewal) he studied for minorities and the economically disadvantaged. See his *Who Governs?* The same charge may be directed against Raymond A. Wolfinger, *The Politics of Progress* (Englewood Cliffs, N.J.: Prentice-Hall, 1974). It was that lacuna that led to the criticisms initiated by Peter Bachrach and Morton S. Baratz, "The Two Faces of Power," *American Political Science Review* 56 (December 1962): 947–952. For a more recent argument along similar lines, see Clarence N. Stone, "Systemic Power in Community Decision Making," *American Political Science Review* 74 (December 1980): 978–990.

[57]See, for example, Susan S. Fainstein et al., *Restructuring the City* (New York: Longman, 1983); Larry Sawers and William K. Tabb, eds., *Sunbelt/Snowbelt* (New York: Oxford University Press, 1984); Michael P. Smith, ed., *Cities in Transformation* (Beverly Hills: Sage, 1984); and William K. Tabb and Larry Sawers, eds., *Marxism and the Metropolis* (2nd ed.; New York: Oxford University Press, 1984).

[58]In that connection, see Harry G. Boyte, *The Backyard Revolution* (Philadelphia: Temple University Press, 1980); and Janice Perlman, "Grassrooting the System," *Social Policy* 7 (September–October 1976): 4–20.

influence the course of corporate investment by fostering cooperation rather than competition among localities and states. The IGR literature has not really come to terms with this problem. Depending on one's values, no doubt, competition can be seen either as a defect of the federal system or as a reflection of its economic efficiency. Yet, what troubles us in immediate terms is that the IGR literature has had a difficult time both in addressing such issues within the existing theoretical frameworks or, alternately, in inventing new theoretical frameworks that overcome current deficiencies. Instead, what we usually find, when social and economic issues are examined, are studies (generally produced by those we have characterized as pragmatists) that are more concerned with the design and implementation of particular programs in such areas as manpower training or social services than with the fallout from the forces of socioeconomic change that created a need for intergovernmental programs in the first place.[59]

Scholars of federalism also argue for the beneficient consequences of noncentralization, but it has long been recognized that among such consequences are significant differences in the program benefits received by persons in different places in such program areas as health care, income maintenance, and education. We are not convinced that the debate on matters of distributive equity in such programs has been satisfactorily concluded. Are the benefits of our federal system sufficient to cancel out our inability to ameliorate inequalities among states in providing benefits to disadvantaged groups?

In contrast to its problematic handling of person-related equity issues, providing benefits to "places" has long sustained the operations of the federal system. Scholars of federalism and IGR appear to accept such practices with relative equanimity as part of the costs of doing business in a federal system.[60] Yet, critics have suggested that such costs have resulted in uneven regional and local development.[61] One need not accept the ideological biases of the more extreme critics of contemporary government and business practices to recognize that scholars of federalism must do a more effective job of grappling with the effects of federal arrangements in promoting or reinforcing uneven national economic development and, where appropriate, in suggesting ways of overcoming those disparities.

### *The Public Choice Option*

A second kind of argument—less explicitly normative than the neo-Marxist critique—also offers fruitful avenues of inquiry for those who study federalism and IGR. This perspective—public choice—blends an understand-

[59]In regard to manpower training policy, for example, see, R. Taggart, *A Fisherman's Guide: An Assessment of Training and Remediation Strategies* (Kalamazoo, Mich.: W. E. Upjohn Institute for Employment Research, 1981), and Baumer and Van Horn, *The Politics of Unemployment*.

[60]See, for example, Aaron Wildavsky, "Birthday Cake Federalism," *American Federalism*, ed. Hawkins, pp. 181-191.

[61]In particular, see the contributions to Sawers and Tabb, *Sunbelt/Snowbelt*.

ing of individual rationality with a concern about system rules in order to explain patterns of interpersonal and institutional interactions. Public choice views individuals as important for the self-interested decisionmaking they bring to the system, while agencies, institutions, and governments are significant for setting the context of system rules and structural constraints on human behavior.

Public choice borrows heavily from the assumptions and frameworks central to the study of both economics and behavioral psychology. In economics, choice theory has become entrenched as the classic method of understanding consumer, producer, and market system behavior. Likewise, behavioral psychologists have found the role played by cognitive processes in individual decisionmaking to be fundamental to understanding human behavior.

Although American political theorists from the Constitution's framers forward regularly have applied individual rationality to their conceptions of the state, political scientists have only recently begun to work with rational choice frameworks. Most notably, choice theory has begun to play an accepted role in illuminating what are viewed as discrete spheres of political activity, such as urban service delivery,[62] bureaucratic behavior,[63] the calculus of voting,[64] party behavior,[65] and, to some extent, the behaviors of legislators.[66] At the same time, public choice theory has contributed little to improving our understanding of multidimensional systems where political spheres of power, influence, and discretion overlap, such as in the case of contemporary IGR.

Of course, there are many references in the case study literature of IGR to intergovernmental conflict and the bargaining that may be necessary to resolve conflict situations, but efforts to specify the structural rules that shape the behaviors of various actors are surprisingly meager.[67] Thus, various scholars have pointed to the intergovernmental "games" in which officials and bureaucrats engage, but little formalization of that approach has taken

[62]Elinor Ostrom, Roger Parks, and Gordon Whitaker, "The Effect of Size and Community Control on the Provision of Police Services: A Comparative Study of Three Independent Communities and Three Matched City Neighborhoods Within One Metropolitan Area" (Paper presented at the meetings of the Public Choice Society, Blacksburg, Vir., 22-24 April 1971); Elinor Ostrom and Gordon Whitaker, "Does Local Community Control of Police Make a Difference? Some Preliminary Findings," *Midwest Journal of Political Science* 17 (February 1973): 48-76.

[63]Anthony Downs, *Inside Bureaucracy* (Boston: Little, Brown, 1967); William A. Niskanen, Jr., *Bureaucracy and Representative Government* (Chicago: Aldine-Atherton, 1971); Robert A. Levine, *Public Planning: Failure and Redirection* (New York: Basic Books, 1972).

[64]James M. Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor: University of Michigan Press, 1962); William H. Riker, *The Theory of Political Coalitions* (New Haven: Yale University Press, 1962).

[65]Anthony Downs, *An Economic Theory of Government* (New York: Harper and Row, 1957); A. O. Hirschman, *Exit, Voice, and Loyalty* (Cambridge: Harvard University Press, 1970).

[66]David R. Mayhew, *Congress: The Electoral Connection* (New Haven: Yale University Press, 1974); also see, Lawrence Dodd, *Coalitions in Parliamentary Government* (Princeton: Princeton University Press, 1976).

[67]In that connection, see Eugene Bardach, *The Implementation Game* (Cambridge, Mass.: MIT Press, 1977); and Deil S. Wright, "Intergovernmental Games: An Approach to Understanding Intergovernmental Relations," *Southern Review of Public Administration* 3 (March 1980): 383-403.

place. Part of the problem, we suspect, has to do with the reluctance of many contemporary students of IGR (particularly those belonging to the school of pragmatic federalism) to undertake the arduous task of coming to terms with the place of "structure." That would require them to specify the behavioral "rules" that flow from structural expectations. However, adopting a public choice perspective might give students of IGR both the opportunity and the impetus to ask, and answer, empirical questions about how behavioral rules are shaped and how different intergovernmental actors take them into account.

Public choice theory could help to redirect the study of IGR by folding the micro-level behaviors of intergovernmental actors into the macro-level structural constraints within which they operate. Choice theory might accomplish this synthesis in three steps. First, public choice views individuals—be they consumers, producers, members of Congress, party leaders, voters, or bureaucrats—as Hobbesian, self-interested, utility optimizers. Individuals are assumed to know what is in their self-interest, and are presumed to choose, regularly and predictably, to act in ways that they believe will yield more of what they prefer rather than less. Of course, self-interest is not the only goal pursued by individuals. It is, however, the dominating micro-level behavioral motivation, "the proximate goal of everyone, the goal that must be achieved over and over if other ends are to be entertained."[68] In a sense, this kind of reckoning behavior is viewed as the "state of nature" upon which independent variables operate.

The second step in the public choice synthesis focuses on these independent variables. In the world of economics, where sufficient production, stable prices, acceptable quality, and reasonable profits are the ends that are sought in a capitalist system, the rules and constraints of the free and unregulated marketplace are often touted as the most efficient means for satisfying the interests of the various actors involved. In the democratic political world, where the general welfare and the public interest arguably are among the ends being sought, other system rules—"exterior" and "interior" provisions, in Madisonian terms—apply.[69]

These can be institutional rules of a doctrinal nature (bureaucratic accountability, republican government, checks and balances, and federalism) that are often the subject of more traditional treatments in the study of federalism. There are also individualistic and group pressures—derivatives of parochial interests, territorial attachment, political "clout," and the pathos of professionalism—that generate both rivalries and close working relationships between and among "topocrats" and "technocrats." These "rules" may be critical in developing a theory of intergovernmental behavior. Public choice theory makes the case that institutional or macro-level rules are the primary factors that combine to check power, structure alternatives, balance discre-

[68]Mayhew, *Congress,* p. 16.

[69]*Federalist* No. 51. The trick, according to Madison, was to arrange system rules in such a way as to bind self-interested behavior to the public's interest in general.

tion, and help to align individual interests with those of the collective in a stable political regime. Systematic treatments of these structural pressures within the political system have been rare in the contemporary study of IGR, with the notable exception of Elazar's noncentralized federalism. Even there, however, little effort has been expended to formalize the analysis of system rules.

The third step in the public choice synthesis combines the first step (the assumption of rational individual action) with the second step (an appreciation of how institutional and individualistic rules structure decisionmaking) in order to explain the kind of policy outcomes that descriptive behavioralists have been documenting (but not explaining) for three decades. Clearly, the layer cake of the dual federalists, where powers are neatly divided, does not do the job of either accounting for original intentions or describing contemporary realities. Cooperative federalism is equally inadequate because it places too much emphasis on sharing in a putatively cooperative world. Alternatively, the competitive federalism of public choice theory, where conflict and bargaining are viewed as the keystones that perpetuate intergovernmental balance, seems to offer us a more fruitful tack for explaining and predicting the calculus of intergovernmental resultants and the incremental evolution that has characterized IGR over the course of two hundred years. These resultants and evolutions are the outputs and the outcomes of the public choice synthesis, the dependent variables, the third piece of the puzzle that makes public choice a tempting alternative framework for explaining the processes and products of the intergovernmental system.

Like other approaches to the study of IGR reviewed here, public choice is not without its normative biases. Clearly, rational action and organizational rules suggest empirically supportable (and refutable) propositions. At the same time, the increases in diversity, local discretion, innovation, and competition that inevitably accompany public choice theory are viewed by many choice adherents as inevitable and valued externalities of a democratic system that should celebrate informed human choice. This philosophical concern for diversity and choice gives some in the public choice tradition a reason—an ideological basis—for championing the fragmentation of intergovernmental relations and for embracing the alternative arrangements for service delivery that result.[70]

For this reason we recommend public choice with some reservations. Indeed, we would advise against swallowing versions of the public choice approach whole. As desirable as diversity and informed human choice can be in a democratic society, competitive service delivery and localistic solutions often survive at the expense of distributive justice. As with most things in life, the public choice perspective must be applied with moderation, for the solutions to government problems that the celebration of choice and diversity yield are not always good solutions, and surely they are not always

[70]For example, E. S. Savas, *Privatizing the Public Sector* (Chatham, N.J.: Chatham House, 1982).

equitable. While neo-conservatives might argue that public choice is our constitutional birthright, those of a more liberal persuasion might be excused for suggesting that the normative dimensions of public choice prescribe a system of IGR that is nothing short of federalism to a fault.

At the same time, and to its credit, the public choice synthesis might move us off the dead center of debates about how original intentions apply to contemporary federalism. Public choice focuses our attention in the right places—the sinews of federal and organizational relationships that structure rational behavior in predictable ways. We can think of no reason, a priori, why the behaviors of actors could not be understood through a closer examination of the combined effects of: (1) individual rationality and (2) both institutional and individualistic rules.[71] In addition, public choice takes account of (and depends on) the calculus of organizational conflict to predict (and prescribe) intergovernmental outcomes. In short, public choice has the potential for providing a fruitful theoretical alternative to existing frameworks for describing and explaining American intergovernmental relations.

## CONCLUSIONS

Our concern about the state of studies of federalism and IGR lies less in advocating particular modes of analysis, such as public choice or neo-Marxism, than in highlighting the problematic nature of the approaches taken by the majority of scholars in the field. We have argued that scholarship in federalism and IGR has remained mired in a series of debates fostered by the normative and behavioral models which have been predominant for the past thirty years or more. More important, we contend that the prevailing frameworks have tended either to exclude, or to treat only peripherally, important issues in the analysis and description of IGR. To some extent, issues of the kind we are concerned with have received greater attention from those who stress the need to attend to matters of distributive justice or to develop more theoretically challenging approaches, such as public choice.

Nevertheless, these alternatives have their own shortcomings. While those who focus on distributive justice have raised important questions about the products of IGR, they have discounted the behavioral importance of structure and process. Still, we would agree with their argument that federalism and intergovernmental relations have only limited value in and of themselves. Instead, results must be taken into account: substantive ends should be given priority over procedural means when societal equity hangs in the balance.

Similarly, whatever its positive contributions, public choice theory is suspiciously silent on the subject of equity, something no comprehensive theory of democratically grounded behavior can afford to be. Public choice

[71]We favor an approach to this kind of problem based more on understanding the choices that actors themselves make rather than imputing to them decision rules established by the observer. Much more room remains for work to be done in intergovernmental studies, therefore, to sort out the processes by which actors select those behaviors they identify as appropriate in negotiating with other officials in the intergovernmental system.

is no panacea. Nonetheless, choice theory does offer useful insights into behavioral propositions that are worthy of considerably more attention than they have received thus far in the study of federalism and IGR. Public choice offers scholars an approach that encourages them to focus on such considerations as the relationship between self-interest and system rules in a way that might be used to incorporate constitutional and historical considerations as well as the strategic choices made by actors within the stream of intergovernmental transactions. By identifying the state of nature (rational individual behavior), the independent variables (structural and systems rules), and the dependent outputs (public policy), choice theory has the potential for expanding understanding beyond the stalemated debates that have come to characterize the field.