

The Strength of American Federal Democracy

Lessons for Global Development

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Abstract

A review of the history of the United States from its colonial origins shows how America's successful development has always been guided by two basic principles: representative democracy, and a proper division of power between national and subnational governments. The United States of America was established as an independent nation by a congress of delegates from 13 provincial assemblies, each of which consisted of representatives elected by their communities. Since colonial times, local democratic rights have attracted immigrants to help build new towns in the growing nation. Responsible local governments in America have had the power and the incentive to make

local public investments for developing prosperous communities. Democratic competition in America has been strengthened by the ability of successful local leaders to become competitive candidates for higher offices. But in spite of America's example, many nations since the French Revolution have instead been drawn to centralized democracy, as national elites may prefer to centralize power around themselves. America's successful growth ultimately depended on its citizens' basic understanding that their welfare and security were enhanced by a balanced federal division of power between their elected local governments and the higher sovereign government of their nation.

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THE STRENGTH OF AMERICAN FEDERAL DEMOCRACY: LESSONS FOR GLOBAL DEVELOPMENT

by Roger B. Myerson

The institutions received from England were admirably calculated to lay the foundation for temperate and rational republics. The materials in possession of the people, as well as their habits of thinking, were adapted only to governments in all respects representative; and such governments were universally adopted. The provincial assemblies, under the influence of Congress, took up the question of independence; and many declared themselves in favor of an immediate and total separation from Great Britain. – John Marshall (1844)¹

A Nation Established by Thirteen Provincial Assemblies

A cluster of small English settlements on the east coast of North America grew over three centuries to become the richest and most powerful nation on Earth. This extraordinary development ultimately depended on the deep strengths of the political system that was introduced early in the history of these colonies. Several fundamental principles remained remarkably constant in American history thereafter, even as the nation's territory expanded vastly, its wealth spectacularly multiplied, and its population was augmented by immigrants from every part of the world. But reformers who sought to apply American political principles in other countries often found that something essential could be lost in their translation abroad. Such reformers focused on the ideals of representative democracy and human rights, but often neglected the decentralized federal nature of American democracy.

We should recognize, first and foremost, that the United States of America was established as an independent nation by a congress of delegates from 13 provincial assemblies, each of which consisted of representatives elected by their communities. The strength of the American republic is deeply rooted in its unique political origin, created not by an army or a tribe, but by the locally elected members of 13 separate assemblies.

This point is clearly expressed in America's 1776 Declaration of Independence, once we read beyond the long introductory sentence about human rights. The broad statement of universal human rights has been inspirational, but it is so lacking in substantive details as to be compatible with the ownership of slaves by many signers of the Declaration.

¹ John Marshall, *The Life of George Washington: Written for the Use of Schools* (Philadelphia: James Crissey, 1844), chapter 4.

A different focus emerges after the text of the Declaration asserts that "governments long established should not be changed for light and transient causes." The first interpretation of these words may be that the political connections between America and Britain should not be broken without good cause. But a second and more forceful interpretation of this point emerges as the main focus of the Declaration, as it accuses the king of Great Britain of acting in many ways to subvert the traditional rights of the elected legislative assemblies in the 13 colonies.

In fact, the largest part of the Declaration of Independence is a list of complaints of legislators. The charge that the king has fatigued legislators by making them meet in unusual and uncomfortable places gets more discussion than some burning of towns. The king has repeatedly dissolved the provincial assemblies, prevented them from passing necessary laws, undermined their ability to supervise local courts, and imposed new taxes without their consent. When this usurpation of their traditional rights was resisted by the colonists, the king unleashed military forces against them.

The Declaration of Independence expresses a clear view that the form of government long established in colonial America was one where British-appointed officials could act only with the cooperation and approval of the colonists' elected representatives. When this cooperation broke down after the Stamp Act of 1765, the elected assemblies felt compelled to exercise power on their own. The American Revolution was fought to enforce this claim of sovereign power for the 13 provincial assemblies, which then reconstituted themselves as state governments and sent delegates to form a Congress to coordinate their revolutionary efforts.

Colonial Origins

We may ask why Britain permitted the development of such institutions of representative government in its North American colonies. Of course, colonists from England were accustomed to a government there that included locally elected representatives in Parliament. From 1620 in Virginia, institutions of local self-government were introduced to induce English settlers to come to America and offer loyal service in local militias. Settlers had to organize these local militias to defend the colonies' long frontier. When representative assemblies were lacking or became ineffective, many settlers would lose confidence in the willingness of the government to protect their land, and then the militias could rebel, as they did in Virginia (Bacon's Rebellion) in 1676 and in Massachusetts in 1689.

Bacon's Rebellion is of particular interest because it offers a perspective on how different political decisions could have put America on a path to become a poor, less-developed country. In 1676, William Berkeley had been governor of Virginia for most of the time since 1641. He stopped calling popular elections for representatives to Virginia's House of Burgesses after 1661, and his appointed councilors and sheriffs ruled Virginia as an autonomous oligarchy. The militias rebelled under Nathaniel Bacon, but were ultimately suppressed by naval forces from England. Then, as Governor Berkeley initiated punitive expropriations against anyone suspected of supporting the rebellion, a mass of settlers rushed to take their movable property out of Virginia.²

The prospect of Virginia being impoverished by such disinvestment and capital flight was recognized by royal commissioners from England, and they acted to reconstitute the government of the colony. Governor Berkeley was dismissed, and his autonomous oligarchic regime was replaced by a new system in which power was divided between the locally elected assembly and a governor appointed from outside the colony. Thus, the British imperial government effectively supported the rights of the elected assembly after Bacon's Rebellion showed the dangers of concentrating power under a strong local governor.

However, political gains for enfranchised citizens also separated them from the enslaved. Poor whites and blacks had fought side by side during Bacon's Rebellion, but thereafter Virginia's assembly passed racist laws denying legal rights to "Indians" and "Negroes."

The 1689 uprising of the militias in Massachusetts occurred after England's Glorious Revolution, but also after the royal governor had suspended the representative assembly. The settlers' worst fears were realized in one district where appointed commissioners began requiring bribes to re-confirm settlers' land claims.³ A multitude of small independent farmers could not develop individual plots of land securely without any political voice or representation. Thomas Jefferson's ideal of a society populated by small independent farmers depended implicitly on representative assemblies.

Benefits of Decentralized Democracy

Thus, as John Marshall noted (above), English colonial rule laid the foundations for

² Stephen Saunders Webb, *1676: The End of American Independence* (New York: Knopf, 1984), p. 140.

³ Mary Lou Lustig, *The Imperial Executive in America: Sir Edmund Andros 1637-1714* (Madison: Fairleigh Dickinson University Press, 2002), chapter 7.

representative government in America. Having claimed power as the elected representatives of the people in the Revolution, the leaders of the new republic could not subsequently assert any other basis for holding power without elections.

From 1776 to 1788, the 13 states were tied together under the Articles of Confederation, which decentralized almost all power to the separate state governments. The need for stronger national coordination became evident to all, however, and so in 1788 the states adopted a new Constitution which allocated substantial powers to the national government under the Congress and an elected president.

But the federal Constitution still left the separate states with primary responsibility for local government. The leaders of the new national government never had any option to integrate all sovereign power under their centralized control, as the 13 separate state governments had long traditions of exercising power over a century before the first election of any national officials. America had to be a federal democracy.

Indeed, a balanced sharing of power among different levels of government has been the general rule throughout America's history. Before 1776, the elected provincial assemblies shared power with imperial agents from Britain. After 1788, the elected state officials shared power with the national government. Much in America changed over subsequent generations, as new states were added, slavery was ended, the franchise was extended, and the federal budget grew proportionally larger. But America's growth and development has always been guided by the basic principles of representative democracy and a federal division of power between national and subnational governments. These principles were vital both for establishing the new nation and making it durably democratic.

The decentralization of power admittedly created difficulties for financing the war effort during the American Revolution, but decentralization also gave the revolutionary movement a broadly distributed political strength that was essential to its ultimate success. In 1776, every community had at least one widely respected leader—its local assembly representative—who had a substantial vested interest in defending the new regime. The British forces could not hope to mobilize such broad political support without essentially recreating the colonial assemblies.

The federal division of power between national and local levels of government helped to sustain the constitutional limits on national officials, as James Madison predicted in *Federalist*

51.⁴ Most notably, when the national government acted to suppress political opposition via the Sedition Act of 1798, it was strongly opposed by state governments, including those of Kentucky and Virginia.

Decentralized democracy made the new nation rich in local leaders who had held elected office. We should understand that successful democracy requires more than just elections. For democratic competition to benefit the public effectively, voters must have a choice among candidates with proven records of public service who have developed good reputations for exercising power responsibly in elected office. When such trusted leadership is lacking, democracy is inevitably fragile.

This essential supply of trusted democratic leadership can develop best in responsible institutions of local government, where successful local leaders can prove their qualifications and become strong competitive candidates for higher office. From this perspective, even a small nation can benefit from having some decentralization of power to autonomous subnational governments, where future candidates for national leadership can demonstrate their ability to serve the people.

The successful establishment of strong competitive democracy at the national level in America after 1788 depended on the large supply of potential candidates with proven records of public service in the 13 former colonies. For example, Thomas Jefferson had served as a local representative in the House of Burgesses and as governor of Virginia long before he ran against John Adams for president of the United States. Throughout American history, competitive politicians have climbed such a ladder of democratic advancement from local to national office. Thus, local democracy in America has helped to strengthen democratic competition at the national level.

Democracy at the national level has also helped to strengthen local democratic competition, as America developed a strong system of national parties that endorsed candidates for local offices. Indeed, James Madison (imagining a Rhode Island separated from the United States) also argued in Federalist 51 that politics in a small unitary state can be unstable and vulnerable to local autocracy. But with federal democracy, a local political boss who has lost popular approval cannot suppress competitive democratic challengers who are supported by a rival national party.

⁴ Alexander Hamilton, James Madison, and John Jay, *The Federalist* (Cambridge University Press, 2003).

Applying Democracy Abroad Without Decentralization

Americans have always believed that their political system should be an example to the world, and admirers abroad have sought to strengthen their own nations by applying principles of American democracy. Leaders of the French Revolution looked to the American Revolution as their model, turning to Thomas Jefferson for advice when he was serving as America's minister to France. In August 1789, a group from the French National Assembly met at Jefferson's Paris home to draft a new revolutionary constitution for France. After this meeting, Jefferson wrote to John Jay and James Madison that leaders in France were planning a constitutional monarchy with an elected unicameral legislature, but that there would also be provincial assemblies which would send delegates to an advisory Senate.⁵

Many points in Jefferson's letters at this time proved to be accurate predictions of the Constitution that France actually adopted in 1791, but provincial governments were not included. Under France's 1791 Constitution, the provinces were replaced by smaller departments, and local officials were not allowed to tax or borrow without the National Assembly's approval.⁶ The National Assembly's power was constitutionally checked only by the king, and the system broke down when the king was accused of treason.

Thus, in contrast to America, the establishment of democratic government in France was accompanied by a strong centralization of power. Regional parliaments, which had provided significant political decentralization in France's old regime, were viewed as vestiges of hereditary privilege and were suppressed by the Revolution. The underfunded and chaotic system of revolutionary local governments was ultimately brought under central direction by appointed national agents. As Alexis de Tocqueville noted after visiting America in the 1830s, the French Revolution was the enemy both of royalty and provincial institutions.⁷

It should not be surprising that the members of the French National Assembly would choose to create a new constitutional structure that concentrated power in their own chamber. They could have been prevented from doing so only by other institutions that could effectively mobilize popular support for a share of power, but traditional institutions were generally

⁵ See Jefferson's letters to Jay and Madison on 27 and 28 August 1789 in *Papers of Thomas Jefferson, Volume 15*, edited by Julian P. Boyd (Princeton University Press, 1958), pages 356-369. See also Lafayette's prior letter to Jefferson on 25 August 1789 (page 354), and Jefferson's subsequent letters to Paine and Price (pages 424-425).

⁶ Alfred Cobban, "Local Government during the French Revolution," *English Historical Review* 58(229):13-31 (1943). The formation of local revolutionary committees in towns throughout France did force the National Assembly to recognize the election of municipal officials at the lowest (commune) level of local government.

⁷ Alexis de Tocqueville, *Democracy in America, Volume 1* (New York: Knopf, 1945), p 100.

discredited in revolutionary France. Under such circumstances, it is hard to see who could have compelled the National Assembly to create new provincial assemblies that would then have competed with it for a share of power. The potential benefits of a federal division of power for France might have been evident to a few idealists when they talked with Thomas Jefferson, but nobody in France's revolutionary leadership had any real interest in advocating a federal decentralization of power. Decades later, when Jefferson wrote in his *Autobiography* (1821) about the French constitutional discussions at his home, he did not even mention the suggestion of provincial assemblies in revolutionary France.⁸

Extending Democracy at Home with Federal Decentralization

While suggestions of federal decentralization in France came to nothing in the National Assembly, plans to create new institutions of decentralized political power in America's unsettled western territory won strong support in Congress soon after the Revolution. Before going to France in 1784, Thomas Jefferson helped to formulate congressional plans to divide the new territory into smaller districts in which settlers would organize local governments that could ultimately join the Union as equal partners with the original states.⁹

The considerations that induced Congress to decentralize power in the west certainly depended on the fact that democratic decentralization already existed in the original states. Post-revolutionary America was characterized by a sensitive balance among the 13 states, each suspicious of the others and of central authority. So the alternative of accepting some states' claims to vast western territories would be objectionable to the other states, and all the states would resist the alternative of permanent centralized congressional control over the territories. Having fought a war to defend the sovereignty of the representative assemblies in their 13 states, Americans readily accepted a belief that their form of representative government could not endure in larger states where many voters would live too far from the state capital. Thus, decentralized federal democracy, once established in America, created political forces for sustaining and extending itself.

The Northwest Ordinance of 1787, which defined the structure of new territorial governments, presents America's idealized reconstruction of the colonial institutions from which

⁸ See *Writings of Thomas Jefferson, Volume 1* (Washington, DC: Taylor and Maury, 1854), pages 104-105.

⁹ Robert F. Berkhofer Jr., "Jefferson, the Ordinance of 1784, and the Origins of the American Territorial System," *William and Mary Quarterly* 29(2):231-262 (1972).

it developed. The territorial governments included a federally appointed governor and a house of locally elected representatives, as well as a council whose members were federally appointed from a list of candidates designated by the house of local representatives. Acts of law in a territorial district required approval both by the governor and by majorities in the house and council. The basic principle was that a territorial government should do nothing that was not approved by a majority of local representatives, but any action by a territorial government could also be blocked by the governor, who represented the federal government.

This broad supervision by a resident federal agent with veto power would be withdrawn when the territorial district was admitted as a state in the Union, although, of course, state government officials remained liable for compliance with federal laws under the Constitution. But even during the period of territorial status, the fact that local elites would be sending representatives to Congress after statehood implied that no national party wanted a reputation for sending oppressive territorial governors who would alienate the local leaders of the new states.

When de Tocqueville wrote *Democracy in America* in 1835, the number of American states had grown from 13 to 24, and the American population had more than tripled in the 50 years since the Revolution. The force of this expansion depended on a steady flow of immigrants from many countries, not just England. Regardless of the different political traditions in these countries, however, immigrants were readily assimilated into America's federal democracy as they acquired the right to vote. In a large centralized republic, a small immigrant group might find itself lacking any effective political influence; but in a decentralized federal democracy, a cluster of new immigrant voters could realistically expect that at least some in their group would be elected to local offices.

Thus, the American political system became an engine that could attract new citizens from around the world, and, with them, could populate new communities and states across the entire continent. Compared to other countries with more centralized or less democratic political systems, common citizens in America could generally feel more confident about basic legal protection for their personal investments in the new country. Responsible officials of state and municipal governments, being accountable to their communities, had both the power and the motivation to undertake the local public investments that are essential for developing a prosperous community. And so the United States inexorably expanded across the continent on which it was founded, and it grew to become the richest nation in the world.

The Inconvenience of Decentralization for National Elites

Although decentralized federal democracy has proved politically stable and economically beneficial in America, since the French Revolution many nations have instead been drawn to centralized democracy. One basic reason for a bias against federal decentralization is that members of the national political elite naturally acquire an interest in centralization of power. To anyone who frequents the central offices of government, a redistribution of powers to unknown provincial elites may seem risky and inconvenient. Even if a redistribution of power to autonomous local governments would be beneficial for most of the population, the individuals who would expect to lose from such decentralization may include some of the most powerful people in the country.

In a nation where local governments are run by centrally appointed officials, a national leader can use powerful local offices as highly valued patronage rewards for key supporters. Then a reform permitting provincial voters to elect their own local officials would be a costly disappointment for some of the leader's most important supporters. So an incumbent national leader is unlikely to advocate political decentralization in a country where it has not previously existed.

Thus, when a transition to democracy begins with elections only at the national level, the winners can acquire a compelling interest in centralizing power around themselves. As the only faction to have been entrusted with power by a vote of the people, the new national leaders will have a strong mandate to guide any further process of constitutional reform, and they are unlikely to promote reforms that would transfer some of their power to others. So if democracy is introduced in the national government before it is introduced in local governments, political decentralization will become much more difficult thereafter.

In the Arab Republic of Egypt, for example, popular demands for democratically accountable government in 2011 were followed by elections to form a new democratic national government. In these elections, only one party could win the prize of centralized national power. The elected government then wrote a constitution that allowed the new national leaders to retain control over all local administration, offering only a vague promise to introduce elected local governments sometime in the future. Such centralization might have seemed convenient for the short-term interests of national leaders, but it left Egypt's new democracy perilously vulnerable

to fears of another autocracy. Empowerment of trusted local leaders in local governments throughout the country could have done much to reduce such fears.

The downfall of the elected president in 2013 led to questions about what went wrong in the process of building a new democracy. Many have asked whether Egypt might have moved too quickly into a presidential election, but few have asked whether the move to introduce democratic local government was too slow.

Diplomats and leaders of major international organizations are accustomed to working with national governments, and so it may not be surprising that they sometimes overlook the potential role of subnational governments in democratic development. Even American diplomats have sometimes focused more on the advantages of having a strong partner in a centralized government than on the developmental benefits of political decentralization.

In 2002, for example, America supported the creation of a new centralized presidential government in Afghanistan, a country that had a long tradition of decentralizing substantial power to traditional tribal leaders. In subsequent years, Americans paid a heavy price to support the regime. With power concentrated in the capital, there were many rural districts where nobody felt any personal political stake in the government, and so its authority could be maintained only with support from foreign forces. In an account of the struggle for one district in Afghanistan, Carter Malkasian described a successful counterinsurgency strategy in which the essential key was to offer some real authority to selected local leaders.¹⁰ But with no constitutionally protected autonomy for local governments, such locally negotiated political settlements could be nullified by manipulation in the capital, and hard-won gains were lost.

Federalism and the People

We have seen that federal decentralization has benefitted Americans in many ways. Democratic competition in America's federal system has been strengthened by the ability of successful local leaders to become competitive candidates for higher offices, and by the ability of national parties to sponsor competitive candidates for local offices. Responsible local governments have had the power and incentive to make the local public investments that are essential for developing a prosperous community, and the security of democratic rights has

¹⁰ Carter Malkasian, *War Comes to Garmser: Thirty Years of Conflict on the Afghan Frontier* (New York: Oxford University Press, 2013), p. 178.

encouraged common citizens to make their own investments in this prosperity.

For people who are unfamiliar with federalism or democracy, however, the benefits of federalism may be harder to appreciate than those of democracy. People everywhere can readily appreciate the democratic ideal that they should have a choice about who will lead them, and that authority in government should depend on broad popular approval.

But federal democracy asks more from voters. When power is divided among local and federal officials, there will inevitably be disagreements about the line dividing local from federal authority. In a democracy, the resolution of such constitutional disputes must ultimately depend on judgments by the voters. Voters must understand that their elected leaders at the national level need supreme power to serve and protect the broad interests of the entire country, but that their elected leaders at the local level also need some autonomous power to provide public services for their communities. An official at either level who acts to undermine the other level's legitimate constitutional powers should be distrusted and rejected by voters in the future.

It may take some years of experience with federal democracy for voters to develop a broad understanding about what should be an appropriate balance between the different levels of government. America was indeed greatly blessed in that its local governments were elected long before its first national government. Even before the American republic was established, its citizens had decades of experience of power-sharing between their locally elected provincial assemblies and the greater government of the British Empire. The key lesson from American history is that those who would promote vigorous democratic development should appreciate the vital benefits of a balanced federal system—one in which the people can elect responsible local governments, as well as their sovereign national government.

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