

# The Washington Post

## Libertarianism and federalism

By Ilya Somin

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The Cato Institute has just published my policy analysis on “Libertarianism and Federalism,” which examines the extent to which federalism promotes libertarian objectives of expanding individual freedom, and limiting government power. While much has been written about both libertarianism and federalism over the years, this is the first recent general examination of the extent to which the two are compatible. The full text is available [here](#). Here is the abstract:

Federalism is a political system with multiple levels of government, each of which has some degree of autonomy from the others. The United States has a federalist system that encompasses the national government, states, and localities. The United States adopted federalism in part to prevent abuses of power and to preserve individual liberty. Federalism serves those goals by helping individuals to “vote with their feet,” thereby fostering interjurisdictional competition. Such benefits are most likely to be found in federal systems where subnational governments have an incentive to compete for residents and businesses because they must raise most of their revenue from their own taxpayers, as opposed to receiving subsidies from the central government. In many ethnically divided societies, federalism can also enhance liberty by reducing ethnic conflict and oppression. However, federalism can also endanger liberty or property by empowering subnational governments to exploit owners of immobile assets, most notably land. Federalism can also permit local majorities to oppress local minorities. Contrary to James Madison’s expectations, federalism in the current era is unlikely to constrain the national government since states have incentives to support the expansion and centralization of power in Washington. Whether federalism enhances liberty depends on circumstances and institutional design.

I previously blogged about the reasons why many libertarians often support federalism (and the limits of that support) [here](#) and [here](#).

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