

# AMERICAN FEDERAL SYSTEMS AND COVID-19



*Responses to a Complex  
Intergovernmental Problem*

**EDITED BY B. GUY PETERS, EDUARDO GRIN  
AND FERNANDO LUIZ ABRUCIO**

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# INTRODUCTION

B. Guy Peters, Eduardo Grin, and Fernando Luiz Abrucio

The upsurge of COVID-19 pandemic suddenly struck countries all over the world. The national responses to mitigate the disease and confront the multidimensional effects of the pandemic have been varied. However, regardless of the type or efficacy of these answers, this is a global problem since the virus spread without respecting territorial boundaries. Every country must consider the encompassing features of this problem when designing its intervention in public policies. In federal countries, their institutional and political characteristics make providing the public goods – in health, economic policy, education, and other policies – a much more complex issue (Bednar, 2009; Dardanelli, Kincaid, Fenna, Kaiser, Lecours, & Singh, 2018). This book addresses how five “democratic federal political systems” (Behnke & Mueller, 2017, p. 512) – Argentina, Brazil, Canada, Mexico, and United States – have been responding to a complex intergovernmental problem (CIP) (Paquet & Schertzer, 2020) such as the COVID-19 pandemic.

Federal systems are composed of by formal and informal institutions that organize authority relationships among government’s spheres. Federal institutions seek to build the context through which different orders of government can relate among themselves in a more stable manner for the distribution of political authority and responsibilities. Understanding trajectories of changes within federations requires to take into account: (a) constitutional landmarks (if the relationships among territorial entities are based on defined responsibilities and powers, as well as whether federative bonds are more centralized or decentralized); and (b) intergovernmental relations systems (whether an institutionalized model or not, and how symmetrical or asymmetrical is the interchange among federal and subnational governments). In effect, developing a way how federations organize the possibilities of solving problems that affect all orders of government is very challenging for federations (Loughlin, Kincaid, & Sweden, 2013).

The social and economic complexity of the contemporary societies, the expansion of international and national integration of the countries, as well as the expansion of welfare state influenced the growing state intervention in many public policies, especially since the second half of twentieth century (Obinger, Leibfried, & Castles, 2005). In federal countries, due to the existence of autonomous levels of government that formulate and implement public policies, intergovernmental coordination is one of the most challenging issues for this kind of territorial organization of the national state. Politically, federal arrangements are pact agreements which involve dividing powers among many territorial governments. Public policies require split responsibilities in each sector in which more than one government is involved. Since federal politics and public policies are a continuous issue of intergovernmental disputes, the struggle over the balance of power between national and sub-national government usually is continuous (Bakvis & Brown, 2010; Bakvis & Juillet, 2004).

If scale is an important dimension of public policy problems, in federal countries this issue is even more relevant. Some policy problems must be thought of as large scale, requiring interventions that “solve” it in its entirety, or which address them across the country (Peters, 2018; Schulman, 1980). Other problems are small scale which are handled better if decentralized and delivered locally. And many policy problems have aspects of both the large- and small-scale problems and, therefore, require matching with the size of delivery units.

Complexity of issues is another dimension of a policy problem that must be considered when designing policies. Complexity has several dimensions that should be considered. One is political complexity (number and strength of contending interests involved in the policy). Few, if any, policies are entirely consensual, but some are more politically complex than others. For example, an economic development project is likely to pit economic interests against environmental interests, both of which would be capable of exerting political pressure.

Another dimension is substantive complexity. For some policies, cause and effect can be identified readily, and, therefore, interventions can be planned effectively. Likewise, for some policies, the relationship between cause and effect are linear and stable, usually producing small changes, and remaining constant across a wide range of values of those variables. However, for a complex (Cairney & Geyer, 2015) or “wicked” (Rittel & Webber, 1973; Peters, 2017) problem, a small increase in the independent variable(s) may produce very large, or perhaps no change in the dependent variable. Further there may be tipping points at which a small increase in

the variable will have very large effects, notwithstanding a linear relationship for much of its range.

The problems presented to policymakers by wicked problems may be confounded because the cause and effect relationships are, in general, unclear, and there may be no agreement even among experts about policy designs to deal with them. And for many of these complex problems such as climate change, time is running out, and unless some effective intervention is made, the effects will not be redressed (Levin, Cashore, Bernstein, & Auld, 2012). Finally, substantively complex policy problems tend to be politically complex once they affect large swathes of the society.

So, what can government do when confronted before a problem such as this? The COVID-19 pandemic is a policy problem and more generally a governance problem (Knill & Tosun, 2020). However, this kind of problem “requires intergovernmental coordination and cooperation for effective policy responses” (Paquet & Schertzer, 2020, p. 1). But, as substantial evidence is demonstrating, the success rates of different countries in this struggle with the disease have been markedly different.

The book analyzes five federations, where territorial dynamics are a key issue as for coordination of public policies. Because of that, in federative countries, the fight against COVID-19 becomes a CIP. Thus, the main question that guides the understanding of empirical cases is: how structures and institutions of federative systems and political leadership may affect their actions to face the COVID-19 as a CIP (Paquet & Schertzer, 2020)?

To answer this question, this ‘book’ is organized as follows. First, the theoretical approach and analytical issues to compare the five national cases based on the federalist literature are proposed. The second to sixth section will discuss each national case. In the conclusions, we will return to the main goal to present main findings and questions for future research.

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# FEDERAL SYSTEMS: INSTITUTIONAL DESIGN AND POLITICAL AGENCY

B. Guy Peters, Eduardo Grin, and Fernando Luiz Abrucio

## ABSTRACT

*If intergovernmental relations are necessary in normal times, it should be even more required to face complex intergovernmental problem (CIP) as the COVID-19 pandemic. However, collaboration between governments depends on institutional rules as well as on political will. To discuss this issue, the analytical model is based on two dimensions: institutional design and political agency. As for the first dimension, since COVID-19 pandemic is considered as a CIP, three aspects are relevant when discussing how federations can organize the coordination between different levels of government: autonomy of subnational governments, mechanisms of coordination, and policy portfolio. As for political agency, the performance of political leadership (national presidents and governors) will be analyzed. The possibility of sharing collective goals across the federation is also a consequence of the political agency that takes place within the institutional systems of each federation. In short, it seeks to analyze the relationship between institutional design and political agency to deal with this CIP in five American federations.*

**Keywords:** Political agency; subnational autonomy; policy portfolio; mechanisms of coordination; complex intergovernmental problem; intergovernmental relations

## FEDERAL SYSTEMS: INSTITUTIONAL DESIGN AND ITS CONSTITUTIVE DIMENSIONS

One of the classic distinctions in comparative politics is that between federal and unitary systems. As is true of other such institutional variations (Peters, 2018), there are both advantages and disadvantages for each of those forms of government. Uniformity and the capacity of a unitary regime to deal with larger scale problems can be weighed against the capacity to match local needs and preferences in a federal one. Federalism is based on the shared rule and self-rule formula (Elazar, 1987), and the power sharing is its crucial issue (Dardanelli et al., 2018, p. 1).

Perhaps most importantly, subnational governments can be the “laboratories of democracy,” as stated by Mr. Justice Brandeis<sup>1</sup> concerning the United States, and they can provide opportunities for innovation and experimentation. Federations tend to offer more opportunities for participation whereas in unitary countries the efficiency side normally is more salient in decision-making. This trade-off between more democracy or more efficiency is also used to compare levels of decentralization and centralization in federations (Philipmore, 2013).

Federalism should provide policymakers with a greater capacity to match the scale of action with the scale of the problem being addressed than other means of organizing territorial governance. Large-scale national problems can be addressed by the central government, while smaller scale delivery problems can be addressed more effectively through subnational governments.<sup>2</sup> There will be problems of vertical coordination (Adam, Hurka, Knill, Peters, & Steinebach, 2019) within a federal system, and the multilevel nature of governance for any significant policy issue will require cooperation across level through of a more flexible and polycentric governance platform.

The federalism constitutes a complex institutional context of divided powers exerted in different spheres as well as a setting of rules, practices, and norms accrued from intergovernmental interactions. Thus, three are the main bonds among institutional arenas: (1) vertical differentiation of authority between territorial governments; (2) horizontal relationships among subnational governments; (3) intergovernmental arenas that reinforce the federal system itself (Benz & Broschek, 2013).

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1 Contained in *New State Ice Co. V. Liebmann* 285 U.S. 262 (1932).

2 Federal systems vary in the degree of autonomy permitted to local and state governments.

The examples of success and failure in dealing with the pandemic above mentioned contain both federal and unitary political systems. So, we need to consider the nature of federalism more precisely and attempt to determine what it is about different forms of federalism that may affect their capacity to cope with the COVID-19 pandemic, and indeed any other large scale and complex crisis. The alternative hypothesis is that the major determinant of success or failure is not the characteristics of the systems, but rather the individuals who occupy positions of political leadership within those governments both at national or sub-national level.

The theoretical model includes both hypotheses, as we seek to analyze how institutional design can function as a federalist safeguard (Bednar, 2009; Bolleyer, 2009) against individual shortcomings, and how political leadership of presidents, prime ministers, or governors can overcome individual failings. We will analyze the features of federal institutional resilience (Bednar, 2009) and the behavior and profile of political leaders (Dardanelli et al., 2018) to understand national responses to deal with pandemic. In effect, the analysis of tackling with the COVID-19 as a complex intergovernmental problem (CIP) should consider the federal design as well as the role of the political leaders to understand the implemented actions in each country.

The national cases that will be analyzed can be featured through federal struggles that feature good or bad behaviors by leaders, and better or worse functioning of their federal institutions. The nature of this CIP is focused on how governance systems and political actors (Paquet & Schertzer, 2020, p. 1) adapt to tackle with the pandemic as a huge external shock over federal institutions. So, we address two main questions: What factors within federal systems could be related to the success or failure of their attempts to face this crisis? How political leaders have been acting in federative arena along with subnational levels of government?

The analytical model is based on two dimensions: institutional design and political agency. As for the first dimension, there is a long list of possible answers about what factors matter (Bednar, 2009; Dardanelli et al., 2018; Hueglin & Fenna, 2015). In this book, considering the COVID-19 pandemic as a CIP, we think that three aspects are relevant: autonomy of subnational governments, mechanisms of coordination, and policy portfolio. As for political agency, we will analyze the performance of political leadership (national presidents and governors). We analyze the matching between institutional design and the political agency to deal with this CIP in five American federations.

## Subnational Autonomy

Although autonomy is not an easy concept to define, the development of the modern self-government in Western countries since the nineteenth century had had as one of the main goals to limit national governments intrusion into local matters. Subnational units were established as legal orders of government, albeit never totally free from a national steering. Their status generated political, economic, and legal barriers against more arbitrary intervention from upper levels. They would be free to deal with most local problems, albeit not free from national interference in national policy matters. This conception positively grounded the construction of autonomy as core characteristic to analyze intergovernmental relationships, especially in contexts of decentralization or/and federalism (Agranoff, 2004).

Therefore, the first factor in the analysis is the degree of autonomy of the states, provinces, or even municipalities.<sup>3</sup> The constitutional base of the power division between, at least two levels of government, is a core issue as it defines the features of authority exerted by national and subnational spheres. Political conflicts and disputes on policy jurisdiction are central to the territorial politics in federations. It is often unclear whether autonomy is a fixed characteristics in time since federal dynamics moves according to “patterns of continuity and change” (Benz & Broschek, 2013). Taking ideal types of federations, the dualistic ones like United States and Canada should be more decentralized, Mexico would be more centralized, and Argentina and Brazil would be intermediate cases.

Considering intergovernmental cooperation, the reduction and/or lack of federal support may affect states and municipalities both in their own public policies and programs as well as those ones came from national government. Both the excess or the absence of federal government are problematic options. The role of federal coordination is essential to implement national public policies. In opposition to the dualist model, for the cooperative federalism shared authority is the best way for both subnational autonomy and national coordination (Elazar, 1987, 1994). For this conception, federations are not formed by state and local governments acting independently from each other since this kind of territorial split power needs collaboration and coordination among national and local governments.

Subnational autonomy can be better analyzed as a historic trajectory that generates institutionalized rules that order the relations among governments.

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<sup>3</sup> Subnational autonomy usually is analyzed through three dimensions: political, administrative, and financial.