

COVID-19 States and Their Relationship with the Federal Government

On May 15th, the Center for U.S.-Mexican Studies in partnership with Alianza UCMX hosted the ninth webinar on the challenges faced by the state and federal governments to implement coordinated policies against COVID-19. This document summarizes the key takeaways of our meeting. Our tenth webinar, focused on supply and value chains, will take place on Friday, May 22nd at 9 am PDT, 11 am in CDMX.

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Mexico

- The pandemic started amid the transition towards the newly created Health Institute for Welfare (Insabi per its Spanish acronym), which was rejected by several states.
- Some state governments believe that the federal response to COVID-19 has failed to consider the differentiated circumstances faced by the states, including the plan to phase out social distancing by municipalities.
- States have yet to receive urgently needed federal financial assistance.
- Lack of testing hinders designing and implementing economic recovery plans since effective preventive measures in the workplace cannot be fully addressed.
- States like Chihuahua and Jalisco are developing their own protocols and recovery plans due to a perceived lack of guidance from the federal government.
- Despite existing challenges, this can be an opportunity to strengthen coordination between the federal government and the states, and reform how Mexico's federalism works in practice.
- The current institutional framework enable favoritism in the budget redistribution by the federal government to the states. COVID-19 has underscored the need to establish a clear division of government attributions that favor accountability.
- The German model is a relevant example of how federalism can serve as an instrument to accommodate and coordinate state efforts.

U.S.

- President Trump is facing opposition to federal policies against COVID-19 in several states.
- Opposition is not entirely new but rather the result of historic partisanship on public healthcare and migration.
- These partisanship have been further exacerbated by the current electoral context.
- Three regional clusters to deal with challenges related to the pandemic have been formed:
 - California, Oregon, and Washington
 - Illinois, Indiana, Kentucky, Michigan, Minnesota, Ohio, and Wisconsin
 - Connecticut, Massachusetts, New Jersey, New York, Pennsylvania, and Rhode Island
- While these clusters have aided in the response to the pandemic, coordination between the federal and the state level should be the preferred option.
- A coordinated response with the Federal Government can be flexible enough to allow states to operate based on their relative advantages from financial and political resources.