

Stanford University
School of Education

INTERNATIONAL COMPARATIVE EDUCATION

Nuevo León and Oaxaca After Educational Decentralization

Norma Angélica Barajas Villalazo

August 2000

**A Monograph in partial fulfillment
of the requirements for the degree of *Master of Arts***

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*To Diana Rhoten and Martin Carnoy
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ABSTRACT

This study describes the implementation process of educational decentralization as a state policy in Mexico. In doing so, it analyses federal and state level changes in general, as well as how the *National Agreement for the Modernization of Basic Education (ANMEB)* allowed two states -Nuevo León and Oaxaca- to make changes and innovations within their educational systems and the difficulties that each faced. The main purpose of this paper is to explain the current administrative, financial, and political relationship between the federal government and both states. It also shows how the shift in power has impacted negotiations in terms of teachers' union demands and budget allocation at the state level. This study focuses on results rather than on intentions in the context of educational decentralization.

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Introduction

In May 1992 the signing of the *Acuerdo Nacional para la Modernización de la Educación Básica (ANMEB)* ushered in a new era for education in Mexico. Despite considerable political and bureaucratic opposition, the federal government transferred all administrative responsibilities, plus 513,000 teaching posts, and more than 115,000 administrative employees to the 31 states. Also, the local states received control over more than 100,000 schools and more than 22 million pieces of equipment. The *ANMEB* was established with the approval of the Ministry of Public Education (SEP), the National Teachers' Union (SNTE), and the governors of the 31 states. Two additional key factors gave a different structure and legal form to this new Mexican educational system: a set of amendments to the Constitution in 1992 and the creation of the General Law of Education (LGE) in 1993.¹ The purpose of this new legal and administrative framework was to strengthen federalism in Mexican education in order to improve the quality and equity of education.

The aim of this study is to provide an overview of the educational changes at the federal and state levels and to describe in more detail the educational decentralization process in the states of Nuevo León and Oaxaca by explaining how the *ANMEB* has influenced the development of educational innovation and administrative change in both states. It examines how administrative and financial changes impacted Nuevo León and Oaxaca, and it also investigates how the political and administrative relationship between the federal government and the local states impacted the decentralization process. Conclusions will be drawn about the factors affecting educational decentralization, as well as two key aspects that are strongly related to educational change and innovation in the context of decentralization: how the *ANMEB* has influenced Nuevo León and Oaxaca's basic educational systems,² and what the impact of this new political and

¹ The Federal Congress reformed the third article of the Constitution in 1992. The changes were about making secondary schooling compulsory, the participation of the local governments in the school curriculum, and the allowance of religious education in private institutions. The Federal Constitution in its Third Article outlines the compulsory, lay, and free character of public education. The General Law of Education specifies the legal framework at the federal level. Most states also have a local education law to determine specific structures and rules within their systems.

² In Mexico, basic education comprises 10 years of schooling (1 in preschool, 6 in primary, and 3 in basic secondary level). Then "secondary schooling" (*educación media superior*) goes from years 11 to 13. There are also three kinds of modalities: general secondary, dual secondary, and technical schools.

administrative relationship has been between the federal government and the states of Nuevo León and Oaxaca.

Educational decentralization is intended to increase state autonomy inside the educational system. In Nuevo León and Oaxaca, it has resulted in considerable administrative changes. Because it is still relatively early to give a final evaluation of the educational decentralization process itself, and most of the states are still improving and adjusting to changes within their educational systems, only preliminary assessments can be done. The final impact of educational decentralization is still unknown.

Many states in Mexico were not ready either financially or administratively for decentralizing basic education; Oaxaca, for example, had to make administrative adjustments in order to accomplish governmental regulations during the process. Regardless of this situation and the remarkable equity differences between northern and southern states, most governors have found ways to continue the implementation process. This is the case in Oaxaca, Guerrero, and Chiapas, to mention a few, which are still in need of much more federal governmental assistance because these states are historically much poorer and more indigenous than the rest of other states in Mexico.

Chapter one includes a literature review of administrative, financial and political educational decentralization in general, emphasizing the case of Mexico. Chapter two describes the conceptual framework employed in this study, ending with a description of the data and methodology used. Chapter three provides a background of the transition of educational “*federalización*” (as it is known in official documents) in Mexico from 1970 to 1992. It briefly emphasizes, from a political-administrative perspective, the origins, policies, and processes involved in the transition to educational decentralization. Chapter four includes a brief description of the federal budget allocation and the financial efficiency and equity effects of the educational decentralization process in Nuevo León and Oaxaca. It also provides a comparative analysis of the decentralization process and the educational outcomes produced by the administrative shift between the federal and the state government. This section is based on a time period between 1992 to early 2000, where educational innovation was taking place. Chapter five includes the final conclusions, based on the empirical and theoretical analysis of educational decentralization, and summarizes the role of the federal and state governments in Nuevo

León and Oaxaca in terms of administrative and financial outcomes. Finally, chapter six presents the areas for future research in the field of educational decentralization in Mexico.

Statement of the Problem

The educational decentralization reform in Mexico was a central decision emerging from the national government and not a consensual petition from the state governors, or from school principals and teachers. Although there were demands to decentralize at the national level, there was no social or political demand to extend educational decentralization to the local level, particularly on the part of teachers and governors. It is quite possible that the federal government had a hidden agenda, which was not to increase state political control or to increase state administrative efficiency but instead to diminish the central power and influence of the teachers' union. Street (1992) argues "that educational decentralization was created to reestablish decision-making limits, and to relieve congestion in SEP from the pressure of corporative groups related with the teachers' union and the bureaucracy" (p. 52). For the purposes of this study, in determining the effects rather than just the intentions of decentralization, it is important to know how the administrative structure of Nuevo León and Oaxaca has changed under educational decentralization, how these changes have been similar and dissimilar in both states, and how these innovations have been related to the *ANMEB*. Second, it is necessary to explain how the political forces have been interacting within the educational system and what their roles have been in a decentralized system. Third, to ask how this shift in power has affected negotiations in terms of teachers' union demands and budget allocation.

Because the level of improvement or stagnancy in a state is determined by social, economic and political conditions, as well as the degree of policy decision-making, two major consequences have arisen: first, educational decentralization in Mexico has strengthened or accentuated the differences in administrative and financial capacity differences at the state level, and second, it has impacted the degree of innovation according to the administrative or financial capacity of the states in the educational system.

1. The Decentralization Argument

Even though the majority of studies on educational decentralization focuses on beliefs rather than on empirical evidences, the aim of the present literature review is to show the contributions done by scholars in the field of educational decentralization to administrative, financial, and political approaches. In addition, the literature gives an overview about studies, which have reported outcomes based on the case of educational decentralization at the federal and state levels of government in Mexico.

Over the last decade, educational decentralization has been a widespread policy not only in developed but also in industrialized countries. However, the meaning of decentralization is still quite vague due to a wide range of forms and definitions. Winkler (1993) claims that “the popularity of decentralization is attributable to a wide variety of factors: educational finance, efficiency, accountability, and effectiveness” (p. 103). Although educational decentralization research is increasing rapidly, descriptive cases assessed in the last decade suffer from incomplete analysis. The literature about decentralization shows few essential decentralization arguments, problems, and key findings related to administrative, financial, and political approaches.

Nevertheless, various studies present findings based on case studies in Latin American countries, including Mexico. The study conducted by Burki et al. (1999) looks at the impact of decentralization on the efficiency of public services, on equity and on macroeconomic effects at the subnational level. Di Gropello (1997), for example, shows a comparative study based on the decentralization reform and its effects in Argentina, Bolivia, Brazil, Chile, Colombia, and Mexico. On the other hand, Fiske (1996) emphasizes the case of political decentralization in Colombia and Mexico, while Ornelas (1997) combines issues related to equity, finance and political outcomes of educational decentralization in Mexico. Only rare cases show post-decentralization outcomes in Mexico related to issues on educational efficiency and innovation or power shifts at the state level. Burki et al. (1999), explains the transfer of power, resources and responsibilities in Argentina, Brazil, Chile, and Mexico. In addition, studies from Noriega (2000a, 2000b) and Ornelas (1997, 2000), analyze the federal budget allocation and the state power structure in Mexico, and Pardo (1999), shows the degree of innovation achieved at the state level after educational decentralization.

Since the ratification of the *ANMEB*, scholars have been analyzing the decentralization phenomenon in Mexico. However, limited is the literature that focuses on signs of educational decentralization outcomes and innovations in the Mexican case as well as the current administrative, financial, and political situations after decentralization. The study coordinated by Pardo (1999) shows the cases of Guanajuato, Nuevo León, Aguascalientes, Chihuahua, and Oaxaca from an administrative standpoint in terms of outcomes and innovation. Administrative and financial outcomes and political relations are also addressed in Fiske (1996) and Burki et al. (1999).

Decentralization takes particular features according to a specific economic, social, and political context. The following literature review briefly introduces the main decentralization concepts as well as the administrative, financial, and political perspectives that help to understand educational decentralization in the context of the *ANMEB* in Mexico.

1.1. The Decentralization Concept

Many meanings and features have been drawn from educational decentralization. The most common definitions are found within the cases of deconcentration, delegation, and devolution. Decentralization implies the transfer of fiscal and administrative resources from central to sub-national levels of government (i.e. regional governments, municipalities or schools.) Hurst (1985) mentions that the decentralization process implies the transfer of certain functions from a small group of policy-makers to a small group of authorities at the local level. However, Hurst adds that the central authority keeps the responsibility for other types of matters that are considered as part of a national policy agenda. Fiske (1996) defines decentralization “as a process in which subordinate levels of a hierarchy are authorized by a higher body to make decisions about the use of the organization’s resources” (p. 11).

Chau (1985) defines what he calls a pseudo-form of decentralization that does not alter the distribution of power between the federal and the state government. He argues, “that decentralization is a certain delegation of power to a regional administration, but with the sole objective of increased efficiency in the use of resources” (pp. 96-97). Moreover, the way the Ministry of Public Education (1999a) defines decentralization in

official documents right after the *ANMEB* does not make reference to the term “decentralization” or “*federalización*.” It mentions that the transfer of public services (education, health, transportation, and so on) to the state government demands considerable resources and involves more than one jurisdictional territory.

Even though it is difficult to find an exact type of educational decentralization that applies to the case of decentralization in Mexico, Chau’s explanation appears to meet the goals of the education decentralization process. Chau mentions that the rationale to delegate the power of decision to state administrations is to be closer to the educational services; therefore, the state administration is in better condition to organize and to monitor the services. However, despite this definition, preexistent norms, fixed rules, and budget allocations of the federal government continue to restrict local administrators’ autonomy, diminishing their capacity to innovate and to improve their educational systems.

1.2. The Administrative Perspective

The literature on administrative decentralization refers mainly to individual state’s administrative capacity, which refers to the abilities bestowed on the state governors and the local administrators regarding the decision-making process, fiscal management, and the planning and evaluation of budget expenditures. In addition, administrative decentralization implies “the transfer of responsibility for planning management and the raising and allocation of resources from the central government and its agencies to field units of government” (Hanson, 1995, p. 102).

According to Murray (1983), educational administration can be viewed in either structural or operational terms. Structural issues have to do with the degree of control that the region or state attains over certain functions of the educational system, while operational issues have more to do with how well the administrative system runs. Some studies show that “administrative or bureaucratic decentralization is essentially a management strategy, where the political power or authority remains at high levels of government” (Fiske, 1996, p. 12). Lauglo and McLean (1985) claim that decentralization is necessary for administrative reasons. In other words, administrative rationales focus on the means rather than on the ends. The aim is to achieve specific educational goals in the

most efficient manner, which cannot be attained in a centralized system. For Lyons (1985), states have to develop better ways to plan and implement national programmes within their administrative structures, so they can administrate their educational systems more efficiently. However, McGinn and Street (1985) indicate that there is considerable evidence that policies of decentralization do not increase administrative efficiency, effectiveness, or local participation. In Mexico, for example, the decentralization reform signified an option to recognize administrative problems as a product of excessive centralization, and also offered ways to innovate (Pardo, 1999). Hurst (1985) claims that decentralization does not necessarily lead to a higher level of innovation, which is determined by how and who implements, and the level of commitment to carry out the implementation policy.

Most countries under centralized systems have decided to decentralize for a wide variety of arguments. The most common forms of decentralization for administrative decentralization are: devolution, delegation, and deconcentration.³ Clear examples of studies about educational decentralization that describe concepts and processes of decentralization, deconcentration, delegation, and devolution are from di Gropello (1997), Winkler (1989, 1993), Hanson, (1995), and Lauglo and McLean (1985). For the case of Mexico, even though decentralization implies a transfer of responsibilities, prerogatives and resources to the state level, Ornelas (2000) emphasizes that the Mexican reform is a combination of all three administrative decentralization forms. He explains that the Mexican framework of decentralization represents the case of “federalization.” In this model, Ornelas argues that the central government maintains the power to dictate main, general, and nationwide norms for the overall system, while the states assume the responsibility for minor administration responsibilities.

1.3. The Financial Perspective

Issues of financial decentralization deal with the relationship between fiscal and financial development, state accountability, and the degree of efficiency in resource

³“*Devolution* is the transfer of authority to autonomous units that can act independently. *Delegation* is the transfer of decision-making authority from higher to lower hierarchical levels. *Deconcentration* is the transfer of work but not power from higher to lower organizational levels” (Hanson, 1995, p. 102-103).

allocation gained from decentralization. Winkler (1993) explains, “that financial arguments for decentralization are a recent phenomenon” (p. 104). The study carried out by Burki et al. (1999) looks at the main financial features in Latin American countries, including the case of Mexico. The authors emphasize the impact of resource allocation at the state level structure and the assignment and control of tax revenues and transfers. Also, Latin American countries –Argentina, Brazil, Colombia, Mexico, Peru and Venezuela- are analyzed under the case of budgeting constraints to avoid macroeconomic instability and states overspending, issue that has inspired little research in Mexico. In addition, the study provides key conditions (e.g. constraints in borrowing, ability to control spending and costs, power of the governors, among others.) for countries that have recently decentralized their system to prevent undesirable macroeconomic consequences.

Since the Mexican educational reform in 1992, little is known about the impact of educational decentralization on the budget allocation and on the fiscal management at the federal and state levels of government, as well as about the effects of decentralization on efficiency and equity of education. Noriega (2000b) and Ornelas (1997), explain the fiscal capacity at the federal and state levels, and focus on historical facts and legal procedures stressing the complex mechanisms of resource allocation and its impact at the state and municipality level. Even though the decentralization policy in Mexico was not driven by financial rationales,⁴ Weiler’s analysis (1989) provides notions of efficiency to assess budget allocations in Mexico. Weiler explains that central government tendencies toward efficiency rationales are strongly related to how resources are utilized rather than to how resources are raised. This argument explains the motives of the federal government in Mexico to maintain centralized fiscal control and to control the educational expenditure of the states. In addition, the analysis of Burki et al. (1999) addresses the importance of financial accountability at the state level of government, by

⁴ Ornelas (1995) mentions five elements that evolved inside the government during the process of educational decentralization in Mexico: (i) the federalist tendency to legitimize the regime and to strengthen the State’s reform during the presidential administrations of De la Madrid, Salinas de Gortari and Zedillo, (ii) the necessity to control the system based on efficiency rationales, (iii) the duality between control and legitimacy to gain power through the ANMEB in the relations SEP and SNTE, (iv) the necessity to control the union dissidence through “conflict management” mechanisms in order to legitimize the decentralization policy, and (v) the idea to gain recognition within the international community by giving the image of a successful educational system (p. 289).

not only looking at accountability itself but also at authorities who are responsible for the delivery of results. “The need to clearly demarcate who is responsible for what at the national level has a prevailing impact on the behavior of politicians at lower tiers of government, one has to understand how decentralization affects national as well as local politics” (Burki et al., 1999, p. 5).

1.4. The Political Perspective

After reviewing the administrative and financial arguments of decentralization, authors agree that a form of political pressure drives particular forms of decentralization in most countries, especially in Latin America (Burki et al., 1999; di Gropello, 1997; Fiske, 1996; McGinn & Street, 1985; Ornelas, 1997; Morales & Torres, 1990; Weiler, 1989). Decentralization analysis from this perspective looks at the political forces behind decentralization that deal with the dispersion of power at the federal and state levels, as well as the degree of party discipline. Political decentralization, according to Hanson (1995), refers to a level in which political institutions map the multiplicity of citizens’ interests onto policy decisions.

Other authors (Fiske, 1996; Ornelas, 1995, 2000; Winkler, 1989) mention the distribution of political power within the educational system. Actors in this category try to alter the organization of the system as well as the political activity. Winkler (1989) explains that the presence of decentralization entails the distribution of power between different groups in the political arena, where state governments may gain certain degrees of power although the federal government reinforces its power. This argument applies to the case of the administrative fusion in the Mexican educational system, where federal and state administrators face political conflicts in controlling resources and maintaining political interests.

In the Mexican model of political decentralization, prevails the need for the federal government to maintain legitimacy without losing control of the educational system, as well as control of the teachers’ union. The federal government controls finances, while it designs and maps concerning educational decisions under the basis of political and not educational grounds (Winkler, 1989). “Decentralization in Mexico has

served to reduce the power of the teachers' union by transferring salary negotiations from the central to the state government level" (Winkler, 1993, p. 105).

Other studies (McGinn & Street, 1985; Ornelas, 1997; Tatto, 1999; Morales & Torres, 1990; Weiler, 1989; Winkler 1989, 1993) address the argument of the redistribution of political power. In Mexico, the "delegation of teacher negotiation authority to representatives of the Ministry of Education in the 31 states appears to have had the underlying political goal of weakening the bargaining power of the union" (Winkler 1989, p. 14). Weiler (1989) explains that under conditions of conflict, decentralization can be a useful strategy for managing the conflict and gaining legitimacy. Political decentralization under the notions of what Weiler (1989) calls "conflict management" is related to the strategy followed by the federal government in Mexico to deal with salary negotiations every year with the teachers' union. It is important to mention that political decentralization in Mexico was not driven a need to diminish the power of the union. Instead, the political forces behind the *ANMEB* supported the argument to strengthen a "new corporatist" union, where the federal government ensures its dominant role.

In short, the literature review has demonstrated that most of the literature gives an administrative, financial, or political perspective for the rationale concerning the implementation process of educational decentralization. However, most of the literature does not discuss in detail financial, and political results, including the current political roles of the federal government, the state administrators, and the teachers' union within the context of post-educational decentralization in Mexico. A few studies analyze the consequences and challenges facing the decentralization policy, (i.e., Burki et al., 1999; Ornelas, 1995, 1997, 2000; Pardo, 1999), but even fewer have assessed the political-financial relations that have emerged between the central and local governments, as well as the budgetary implications that have arisen as a result of educational decentralization.

2. Results Related to Educational Decentralization

The debate surrounding the phenomenon of centralization versus decentralization in matters of education is enormous. Various arguments have shown over time why Mexico decentralized its basic educational system. For example, the 1970s represented a

time to reorganize the administrative structure of the Ministry of Public Education (SEP) along with the initiative to create head local offices in each state to decentralize daily procedures, while keeping major tasks under the responsibility of the SEP. During the late 1980s, the weakening of the centralized State within a context of economic crises and neoliberal policies alerted politicians and policy-makers to the need for State reform. In the 1990s, technocrats in Mexico sought to support their neoliberal agenda by implementing the modernization of basic education national plan. This policy was located within a strategic international environment sponsored by the World Bank and with certain connections to the North American Free Trade Agreement (NAFTA) and Mexico's integration into the Organization for Economic Cooperation and Development (OECD).

Because of these economic integrations, the Mexican government had to create a modern educational system able to produce competent manpower required to consolidate the structural transformation of the economy. Like many other countries advised by the International Monetary Fund and the World Bank at the time, Mexico started a decisive educational decentralization project as part of this modernization process. Another reason to decentralize was to decrease the teachers' union power by destabilizing their centralized structure, because the union no longer represented a useful corporatist mechanism for the official party.

Rather than looking at the origins of decentralization, this study looks at the outcomes. In order to explain the case of "*federalización*" and its close relation with the *ANMEB*, this study will show the driving forces that made possible the implementation of the administrative changes associated with decentralization of local structures as well as educational policy innovation in the states of Nuevo León and Oaxaca. This study tackles the role of the central government and the states within a decentralized context and explains the shift in power in terms of administrative outcomes, teachers' union relations, and budget expenditure negotiations. It is important to mention that this analysis focuses only on results rather than intentions of educational decentralization and these results depend on and are affected by administrative, financial, or political outcomes in both states.

Therefore, it is important to look at previous conditions at a national level and review what happened within each state by reconstructing from the origins until the implementation of the educational reform. Due to numerous elements or implications that may result from the analysis, it is necessary to limit the decentralization phenomenon and to only consider its administrative, financial, and political components. This will help set key concepts to assist this investigation in identifying signs of innovation within the Mexican educational system.

2.1. Conceptual Framework

Educational research is still lacking the development of its own theories capable of explaining ideas and concepts beyond the classroom. As a result, many of the empirical studies in education do not have consistent frameworks for analysis, and they result in a division between theory and practice. In addition, for the purposes of this analysis, “it is difficult to find a theoretical approach related to educational decentralization that looks at the administrative, financial and political outcomes”⁵ as I propose here.

In order to build an analytical framework and to specify as clearly as possible the main ideas pertaining to the educational decentralization phenomenon in Mexico, this study explains decentralization by combining a political and a structural-functional approach. The political approach is based on the power relations between the federal and state government in terms of the planning of educational policies and the dynamics surrounding implementation and budget allocation. It also examines the teachers’ union as a powerful entity within the educational arena. Thus, the political approach looks at the concept of power in order to identify processes of conflict and negotiation within the Mexican educational system. For analysis purposes, this study for example, looks at “power” within the “teachers’ arena” or in the “educational arena.” in order to understand the role of power in the context of post-educational decentralization.

In doing so, I consider education as an arena of conflict (Carnoy & Levin, 1985), where different groups within the administrative structure attempt to exercise power over

⁵ Rhoten, Diana (in press). Education decentralization in Argentina: a ‘global-local conditions of possibility’ approach to state, market, and society change. *Journal of Education Policy*.

others, so it is important to define what we understand as power. Murray (1983) refers to “the term *politics* as a process of exercising power (p. 2), with *power* intended to mean the wielding of influence over people’s opinion and behavior”. In addition, “the notion of power emphasizes the actors and “forces” that are in the educational arena and the interest that they represent” (Popkewitz, 1993, p. 17).

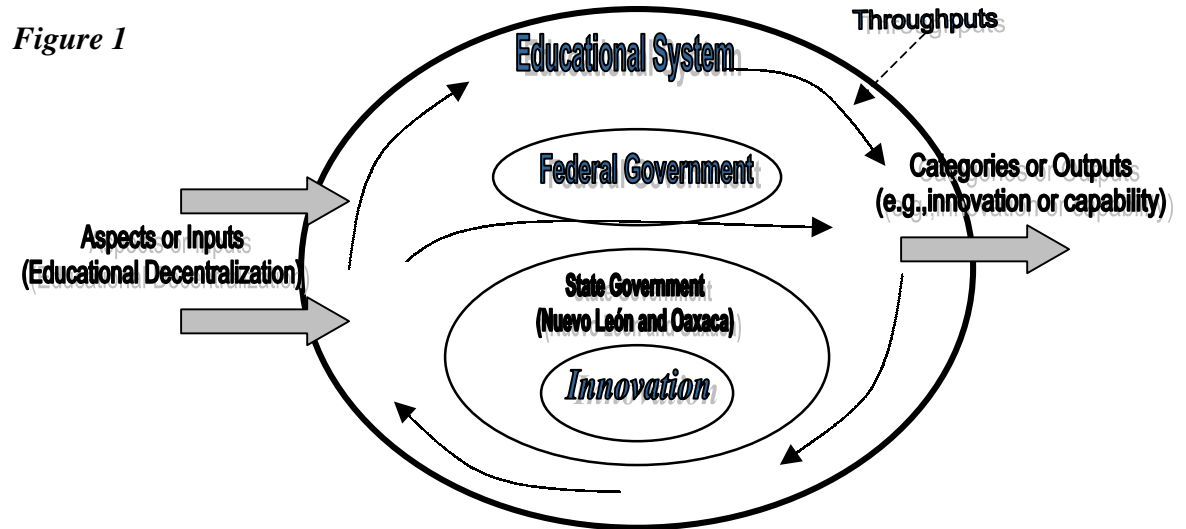
Moreover, the structural-functional approach is based mostly on how structures and functions are embedded in the process of policy implementation. Thus, a systemic approach is used, to explain the effects that educational decentralization has on systems as a whole, rather than focusing only on relations between political entities and individuals. Figure 1 shows the combination of political and structural-functional approaches in order to analyze systemic effects as changes in power and degrees of innovation at the federal and state levels. In order to describe how changes and innovations occur in Nuevo León and Oaxaca.

It is important to distinguish the differences between change and innovation within the system⁶ and to analyze what goes on within their educational systems. Havelock and Huberman (1978) define “system change as any event or action which alters the level of completeness or equilibrium. It may be the action which moves toward equilibrium or it may be the action which threatens it.” (p. 32). There are seven types of system change: change from new inputs, change caused by continuing failure, system development, system decay, output depletion, fusion with other systems, and innovation. This latter, “is a special type of change which could include any of the mentioned types. Thus, innovation represents a significant new effort to complete a system or to create a system ” (Havelock & Huberman, 1978, pp. 32-33).

The process, which is shown in Figure 1, starts when administrative, financial, and political inputs struggle inside the system to attain minor or major transformations towards completion or what Havelock and Huberman (1978) call “throughput.” At this point of the process, it is possible that the system faces internal barriers to avoid completion. The evaluation of the system, for example is based on the degree of

⁶A system is defined “as a set of elements which has some degree of unity but this ‘degree of unity’ may be weak, moderate, or strong” (Havelock & Huberman, 1978, p. 25).

innovation or capability achieved within the educational system of Nuevo León and Oaxaca's: the more they innovate, the more their systems are developed.



Source: Havelock, R. G., & Huberman, A M. (1978). *Solving educational problems: The theory and reality of innovation in developing countries*. New York: Praeger Publishers.

2.2. Data and Methodology

As part of the research design, this study combines data collection techniques using different documentary sources such as newspapers, specialized literature on educational decentralization, articles about the recent history of Nuevo León and Oaxaca, governmental documents from the Ministry of Public Education and journals. Data related to government expenditure in education was provided from the Ministry of Public Education (SEP) and the *Instituto Nacional de Estadística, Geografía e Informática* (INEGI). The data were organized by aspect and category to assist in constructing possible answers or explanations to research questions (see Table 1 below). It is important to mention that Table 1 was a helpful tool in order to understand the political approach of this study, by looking at other actors or systems within the educational decentralization arena.

Table 1
Political and Functional Structural Aspects and Categories of
Post-Educational Decentralization

| <i>Aspect</i> | <i>Category</i> | | | |
|-------------------|-----------------|------------|--------------|--------------|
| Decentralization | Legitimacy | Power | | Negotiations |
| Education | Quality | Equity | Power | Innovation |
| Administration | Innovation | | Capabilities | Leadership |
| Budget Allocation | Autonomy | | Capabilities | |
| Teachers' Union | Negotiations | Challenges | | Power |
| Politics | Power | | Forces | |

To get a better understanding of current trends in the states and to have a clearer perception of the findings of this study, it was necessary to carry out telephone interviews with key actors involved within the decentralization process. The interviewees were one SEP advisor of the *Dirección General de Planeación Programación y Presupuesto* (DGPP&P) in Mexico City, one advisor from the *Instituto Estatal de Educación Pública de Oaxaca* (IEEPO), and three scholars who have done research on educational decentralization in Mexico City. To ensure confidentiality of the data, as well as of the subjects, this study does not reveal the identities of those who did not give consent to appear in this publication.

For the purposes of this study, interviews were tape-recorded and were based on a pre-established questionnaire. Open-ended questions were used to ask broad questions at the beginning and to narrow down to more specific questions toward the end. Tape-recorded interviews were transcribed to accomplish the analysis and the interpretation of the content. The data collected from the interviews helped to assess the main assumptions by combining new and preexisting evidence.

The design of the instrument was based on a sample of 20 questions, from which only ten questions were selected to compile the final questionnaire. To facilitate coding procedures it was essential to build a system based on aspects and categories, which was also used to accomplish analytic purposes for the conceptual framework. Therefore, the information collected from the interviews was classified according to six main aspects,

and within these aspects, thirteen categories were built. An example of the aspects and categories is shown in the previous Table 1.

During the development of this study several limitations appeared. These limitations did not jeopardize the study, but they did establish the need to reorganize the aim of the study and its components. For example, it was difficult to identify cases of innovation within the administrative structure in each state and current signs of conflict between the teachers' union and the federal and state governments. Thus, interviews became a very reliable source to understanding these obstacles. Furthermore, it was complicated to obtain statistical information about the budget expenditure at a federal and state level. There are no financial data available to the public, not only for the federal expenditure to each of the 31 states –particularly after decentralization- but also for the state expenditure. The argument from officers of the SEP is that since 1996 the SEP has been conducting an annual State Education Financial Survey in order to obtain more accurate and reliable estimations of state-provided resources. However, the financial section in this paper attempted to carry out an analysis using the data available to look at how resources have been distributed according to states' necessities and to find out if this allocation had somehow worsened the equity between Nuevo León and Oaxaca. Despite these limitations, the value of doing this study was still greater than the cost of not completing it.

3. General Context

During the last decades decentralization in Mexico went through different stages to finally achieve the educational “federalization” with the signing of the *ANMEB*.⁷ This section traces the federal government's attempts to accomplish educational decentralization, and it sketches the main driving forces leading the post-educational decentralization policy in Mexico.

⁷ For a detailed description of the process see Ornelas, Carlos (1995). *El sistema educativo mexicano: la transición de fin de siglo*. Mexico. Fondo de Cultura Económica.

3.1. The Transition to Decentralization

It was in 1965 when the Minister of Education, Agustín Yáñez, announced the modernization project within the educational system to attain educational quality. The project concentrated mostly on the modernization of the curriculum and teaching methods. The next administration (Luis Echeverría, 1970-1976) integrated these aspects of initial reforms into the second phase, which produced innovations in curriculum design, elaboration of new textbooks, teacher training and internal structure of the Ministry of Public Education (SEP).

In 1971, a partial administrative decentralization started with the creation of the Viceministry of Planning and Coordination and, in 1973, of the *Unidades de Servicios Educativos a Descentralizar* (USEDES). The federal government recognized the need to create a more efficient system of decision-making as well as to reorganize the bureaucracy, which increased in tremendous proportions during the previous administrations. The purpose of the USEDES was to delegate administrative responsibilities to smaller regional governments. However, in practice these regional units did not delegate authority or decision-making capacity. Local authorities maintained their strong central ties with the federal government diminishing the intentions to provide greater participation in the regions. In 1973, changes to the Federal Education Law looked at the role of the federation, the states, and the municipalities. As Loyo (1992) explains, “the law did not do any deconcentration, on the contrary it increased administrative faculties for the federation, even though the law established that the states, as well as the municipalities would be in charge of the technical and administrative tasks” (p. 60).

In 1978, the SEP started to “reorganize” (deconcentrate) its administrative apparatus. The intention of this reorganization was to simplify budget distribution and the administration of services. Thirty-one delegations were established in each state and assigned to the traditional local offices directly accountable to the SEP. Thus, states were supposed to be responsible for the administration of their own educational services, leaving to the federal government the supervision, evaluation, and financing. These objectives were not achieved due to the lack of federal and state coordination and because “the process of deconcentration enhanced the federation in each estate lowering the

authority of local governors” (Loyo, 1992, p. 61). Moreover, signs of conflict appeared between the federal government and the National Teachers’ Union (SNTE).⁸ The SNTE opposed decentralization policy because it threatened some areas under its direct control, particularly in basic education. At the end of this administration two issues remained unsolved. First, the administration was still centralized and managed inefficiently, and second, the political power of the SNTE increased, not only inside the union, but also within the SEP’s structure.⁹

During Miguel de la Madrid’s administration (1982-1988), the decentralization issue returned to the educational sphere with the creation of the Decentralization Committees for Primary and Teachers Education. These committees operated in each state with the rationale to enhance state and municipal governments, although state authorities were tied to the education central power of the federal government. This policy caused some difficulties between the SNTE and the SEP, but in the end the union succeeded due to the political privileges conceded to SNTE’s leadership. Again this attempt for decentralization failed because the central government did not transfer its decision capacity and resource control to the states, because the better distribution of the resources among the three levels of government –federal, state and municipal- implied in the fiscal reform never arrived. Therefore, states dealt more with an administrative deconcentration, where they obtained more responsibilities instead of resources and decision-making capabilities. According to Street (1992) the real purposes of the educational decentralization was to reestablish the decision-making sphere and to relieve the SEP from the pressure of corporatist groups related to the union and the bureaucracy.

⁸ “In organizational terms, the SNTE is very hierarchical. The center of the power rests in the hands of the General Secretary of the National Central Council” (Morales & Torres, 1990, p. 53). In 1979 a group of dissident teachers emerged known as the National Coordination of Educational Workers (CNTE) in political opposition with the SNTE’s leadership. For a detailed description of teachers’ union in Mexico see: Morales, D. A., and Torres, C. A. (1990). *The State, corporatist politics, and educational policy-making in Mexico* or Pescador, J. A., and Torres, C. A. (1985). *Poder politico y educación en México*.

⁹ “The teachers’ union has become increasingly important in the process of political bargaining in the educational arena. The main political groups controlling this union have also emerged as powerful groups within the Mexican State” Morales and Torres, *op.cit.*, p. 52.

3.2. The Educational “Federalización”

From 1970 to 1988, structural reforms made in the Mexican education system guided the national project to decentralize or “*federalizar*”¹⁰ basic education and teacher training institutes with the aim of improving the quality of education. In May 1992, the enactment of the *ANMEB* during the Salinas administration legally transferred labor relations, teachers’ payroll, school management, and infrastructure from the central to the state administration. Most states had to establish their own state ministries of education, as in the case of Oaxaca.¹¹ The governments of the 31 states, and the SNTE signed the *ANMEB* and “promised to reorganize the school system, reintroducing federalism into education. This meant that control of federal basic education services would be transferred to a state level. From that moment on, state governors were responsible for the operation of all the schools within their jurisdiction” (SEP, 1999a, p. 12). Nevertheless, the unification of education maintained the most essential matters of educational policy under the federal government direction: the definition of the national curriculum, the design of teachers’ training and Teachers’ Career, the evaluation of the system, the allocation of educational budgets to the states, and the channeling of compensatory and extraordinary resources from national programs.

The creation of the General Law of Education (LGE) in 1993 reinforced the new educational structure. The *ANMEB* has created consciousness of the states in their educational systems, since they now have the opportunity to achieve their own educational objectives. In addition, it has enhanced the educational planning as well as

¹⁰ According to Arnaut, the term “federalización” was used to hide or to balance a rejected decentralized project, mainly from the SNTE. The *ANMEB* neither emphasizes the concept of “decentralization” nor the “federalización”, instead mentions “a reorganization” or a “transfer” of the educational system. However, the term “federalización” was used from government or union authorities to express the “new federalism” emerged from the *ANMEB*. Thus, the concept of “federalización” is quite ambiguous and acquires its meaning according to the Mexican context. Its ambiguity is based on a political fact that determines an authentic federal government system: with no absolute autonomy to the states and with no absolute competencies from the federal government. Arnaut, A. (1999). *La federalización educativa y el sindicato nacional de trabajadores*. In María del Carmen Pardo (Comp.). *Federalización e innovación educativa en México*. México: El Colegio de México. pp. 63-64.

¹¹ Prior to the decentralization process, bureaucrats from SEP from eighteen states of thirty one were already decentralized or semi decentralized. The most representative cases are: *El Estado de México, Jalisco, Nuevo León, Chiapas, Puebla, Veracruz, Baja California, Chihuahua y Sinaloa*. While *Aguascalientes, Hidalgo, Tamaulipas, Michoacán, Guerrero, Oaxaca, Baja California Sur, and Quintana Roo* did not have state representatives. Moreover, for purposes of political analysis, this is an indicator of the number of states that showed a strong resistance to educational federalization. *Ibid.*, p. 86.

the improvement of the administrative staff at the state level. The LGE sketches an institutional shift from an over-centralized system to one in which the states' governors play new roles. The General Law maintains the idea of having a national and homogeneous education system, even though the term "*federalización*", in practice does not refer to states' sovereignty or local autonomy. Pardo (1999) argues "that the "*federalización*" of the educational services departs from a homogenized and symmetrical kind; while the conditions for its implementation in the states worked under different realities" (p. 559).

3.2.1 The Mexican Decentralization Model

The distinctiveness of Mexican educational decentralization model is based on its educational system history, and its economic, social and political context. For analytic purposes, the *ANMEB* embedded institutional actors who played key roles in the transition to "*federalización*." These actors determined at the moment three major factors that shape the education arena after decentralization: power structure, type of bureaucracy --central or local--, and financing (Noriega, 2000a).

Power Structure

In the analysis of the Mexican educational system the role of the State plays a key role in understanding power relations that interact in the educational arena. "The State itself is an arena of conflict in which groups with decidedly different interests struggle over policies, goals, procedures, and personnel" (Dale, 1989, p. 13). Weiler (1989) explains that authority or power in education is exercised essentially in two ways: through the regulation of (institutional and individual) behavior, and through the allocation of resources – human, material, and financial (pp. 3-4). The institutional actors in the power structure of the Mexican education system include the federal and state government as well as the SNTE,¹² which collectively represent the main political forces defining the shift in power in the arena of education.

¹² In 1943, the SNTE was created and its centralized structure was designed for a membership of approximately 50,000 members –half of the membership was located in Mexico City. The SNTE currently has a more centralized structure with a deconcentrated membership within the country. From 1943 to 1992,

The power structure has enhanced the functions of the Ministry of Public Education (SEP) by maintaining its central responsibility of monitoring state functions and sustaining a centralized fiscal management, thereby weakening the states' sovereignty and pressing them to carry out educational policies designed from central offices. Moreover, states are still dependent on the federal government through SEP guided by a strong legal framework. Tatto (1999) indicates "the federal government may be seeking to increase its own relative power by establishing direct links with schools and their communities. Devolving power to communities and schools may weaken intermediate layers of government (such as states or municipalities)" (p. 254).

On the other hand, the shift from a corporatist¹³ to a democratic system has resulted in major benefits for the union by increasing teachers' wages, economic incentives to improve the quality of instruction, new schemes to promote upward mobility, and the political support from the federal government in keeping the union assembled.¹⁴ However, union leaders were not mere passive followers of the decentralization policy, particularly when significant aspects of the education system were involved (Dale, 1989). Thus, the current context is driven by new areas of conflict in the interaction between teachers, teachers' union and the State (Torres, 2000). As a result, after the *ANMEB* two essential issues are evolving and creating political tension within the educational system: the teacher salary standardization and the conflict inside the union.

the total members of the union increased from 35,000 to 1,200,000 and its membership in Mexico City decreased from 50 to 20 percent. *Ibid.*, p. 96.

¹³ "In Mexico, corporatism refers specifically to the organizational characteristics of the State structure, party and political control that depends to a certain degree on popular participation and mobilization, both being carefully controlled and manipulated for nondemocratic ends." Morales and Torres, *op.cit.*, p. 42.

¹⁴ For decades the education system in Mexico has been featured on one side, by the presence of the strong, corporative, and central union, (SNTE) and in the other, by the presence of the Ministry of Education (SEP). The political dimension of the *ANMEB* represented an agreement and a project at the same time. The federal government negotiated with SNTE's leaders to maintain the union of the SNTE. "The union won the guarantee of signing a separate SNTE-state agreement with each governor that essentially safeguarded the union's power" (Gershberg, 1999, p. 71). The federal bureaucracy and the union have historically constituted a symbiosis. The government lets the union act –vertically, corporatively and corruptly –as well as designated educational officials, supervisors, and even school principals. In exchange, the federal government expects political tranquility on the side of the teachers, as well as several duties such as "overseeing" national and local election processes." Schmelkes, S. (1997) The problems of decentralization of education: a view from Mexico. In Carlos A. Torres and Adriana Puiggrós (Eds.). *Latin American education: comparative perspectives*, Westview Press, p. 151.

On one side, from the legal standpoint, salaries for federal and state teachers should be standardized, although in practice most states within the country still maintain two different union hierarchies, the federal and the state section, performing the same activities but receiving different salaries and economic benefits. On the other, the federal government is still setting teachers' salaries, which are not negotiated between leaders of the state SNTE section and state governors or education authorities.¹⁵ Federal and state authorities argue that the resistance from the union to unified federal and state sections is blocking the standardization process. However, the federal government's strategy is clear: the decentralization reform does not empower teachers, nor does it improve their status and salaries. It tends to be divisive and erodes the power of the teachers' union (Arnove, 1997). The power of the union is diminishing due to internal conflicts between the federal and the state section. The integration of both hierarchical fractions meant that the federal section had to narrow its professional opportunities and to strengthen the competition in order to obtain the best teaching vacancies in the new local systems, while for the local section decentralization implied an open competition not only in the labor market, but also regarding the rank types used for those teachers that have very different professional experience. In addition, differences in salary linked to performance are one of the reasons why the teachers' union has been unable to develop a common political strategy in the defense of salaries and working conditions. This has further eroded the ability of teachers' union to develop a unified policy for teachers who have not accomplished the same standardized level (Torres, 2000).

Thus, the federal government manages the teachers' salary conflict in a way that only accomplishes its management, but never gets it resolved. The government's ability to manage conflict over teachers' salaries becomes an important prerequisite for a "successful" decentralization policy. Weiler (1989) explains that in this context "success" means maintaining a relatively peaceful coexistence between different policy

¹⁵This year's negotiations between the SNTE and the federal government were part of a confusing process not only for the SNTE leader but also for the authorities. State governors, federal and educational authorities were "throwing" SNTE's demands to their respective offices without telling clearly to the SNTE who of the authorities was going to attend their demands. In addition the governor of the Federal District, Rosario Robles, that union protests were not an issue of their competence and that they were not going to repress the movement with violence, when it was totally clear about the origins of the conflict: "most of these protests have their origins in problems of federal competence that have not been resolved." Miguel Angel Granados Chapa (2000, June 4). *Maestros, Reforma*.

persuasions, keeping the system from getting mired in constant confrontations and upheavals” (p. 16). However, the teachers’ salaries strategy followed by the federal government has a reverted effect: the decentralization policy decentralized the teachers’ conflict by transferring teachers’ salaries negotiations to each state according to the respective SNTE’s section. As a consequence, the strategy is making salary negotiations more complicated and conflictive.

Type of Bureaucracy

In Mexico, the impact of educational decentralization in the administrative structure at the state level has had different effects. The impact on each state is determined by diverse factors such as the economic situation, the complexity and the size of the educational system, the degree of local political conflicts; and, the capacity of governors to negotiate. Some states were able to merge their educational systems through delimiting areas of competency and strengthening their administrative staff. Thus, the administrative capacities in these states created genuine conditions to improve their educational services.

In other states integration of the federal and local administrative structures was not successful. Unification of the federal and the local bureaucracy has produced administrative and political effects within the administrative education system. Administratively, “the problems related with the fusion and coordination from both education systems has probably had a negative impact on the service delivery regarding the decision-making process and the effectiveness of the bureaucracy” (di Gropello, 1997, p. 100). Politically, the emergence of genuine political competition at the state level, and the replacement of the traditional top-down hierarchical bureaucratic relationships between the federal and state authorities means new hierarchical state relationships to obtain political support at the local level (Burki et al., 1999).

Financing

The educational decentralization project in Mexico was designed to increase the educational budget in real terms, as well as to provide states with the conditions to achieve their educational objectives. However, due to states’ minimal capacity to collect

taxes and to the federal government's centralized fiscal tradition,¹⁶ state governments and municipalities are not allowed to obtain the resources needed to attend and to maintain local educational systems (Schmelkes, 1997). Moreover, the federal government strictly controls state borrowing. State governors also regulate state borrowing through the supply side (Burki, et al., 1999). This fiscal tradition has made most state governments and municipalities dependent on centralized economic policies and budget allocations. "If states have the capacity to increase and to strengthen their finances, they are able to reform and to innovate their educational systems, and negotiate salaries with teachers."¹⁷

As will be explained in chapter four, the power of the educational budget is based on the central management of the budget allocation process, which is highly technical and quite politically strong. Weiler (1989) mentions that "the argument for centralization appears in two dual forms: Centralization in the allocation of resources is supposed to enhance equity by reducing or eliminating whatever disparities exist between sub-units in terms of resources, and to increase effectiveness by allowing greater mobility of resources" (p. 6). However, even though the budget allocation has centralized features, the degree of autonomy at the state level is still limited, and it seems that the federal government has no intention to modify its finance procedures in the short run. Burki et al. (1999) argue that due to the power of money itself, "the degree to which state governments have independent control over broad tax bases and budget allocation influences their ability to act contrary to the wishes of the central government" (p. 26).

The educational decentralization process in Mexico entered its last stage with the *ANMEB* by reorganizing the educational system through "*federalización*." The complexity of the process itself obscures understanding the rationales from the federal government for achieving decentralization. However, the current decentralized educational system is mainly shaped by the presence of three factors: First, the presence of conflict not only in the political arena, but also between the bureaucratic apparatus. Secondly, the federal government maintains a strong centralization of power, and third, the governments' struggle to preserve its power and legitimation. Thus, the Mexican decentralization model is decentralized in management and, at the same time, is centralized in power (Ornelas,

¹⁶ Mexico's tax allocations of total federal taxes are earmarked transfers for education to states.

¹⁷ Interview data no. ADVOAX03, July 2000.

2000). The teachers' salary conflict, for example, "has served to reduce the power of the teachers union by transferring salary negotiations from the central to the state government level. From this perspective, decentralization is less concerned with the transfer of power from one level of government to another than it is with the transfer of power from one group to another" (Winkler, 1989, p. 3).

4. Comparative Analysis of the Process and the Outcomes of Educational Decentralization

The aim of this section is to explain two main issues of educational decentralization: the budget allocation and the financial and educational outcomes at the federal and state level. First, the intention is to show the procedures followed by the Ministry of Public Education (SEP) through the *Dirección General de Planeación Programación y Presupuesto* (DGPP&P) to distribute the educational budget to the states, the political and legal aspects of the fiscal process, as well as the financial impact after decentralization focusing on two aspects: how the budget is allocated to local states, and how this distribution affects efficiency and equity in Nuevo León and Oaxaca. Second, to explain how the once centralized educational system in both states followed the path to educational decentralization. It emphasizes the main effects within the administrative structure as well as in the educational system in both states from an administrative and political perspective. In addition, this section shows teachers' union relations with federal and state governments.

4.1. Government Educational Budget

Educational decentralization brought "significant changes in the organization of the federal budget that has contributed to strengthening federalism in education" (SEP, 1999a, p. 126). These changes are related to the degree of autonomy that the states have to spend and to generate resources. The amendments to the Fiscal Coordination Law¹⁸ passed by the Congress of the Union at the end of 1997 and 1998 expanded the jurisdiction of regional and municipal governments in the use of federal resources.

¹⁸ Among other aims, the Fiscal Coordination Law has had several reforms to accomplish better ways to allocate financial sources to states and municipalities.

The Mexican system has a strong tradition of centralization. The Constitution establishes a strong centralism that relies on the federal government and limits states capabilities. Even after decentralization, the government's fiscal management still has retained centralized features. The federal government keeps fiscal control in a centralized manner by distributing the resources to the states and municipalities through what is called "*transferences*." In contrast, the state government assigns revenues according to its own agenda and executes only a very small portion of the basic expenditures. Thus, states have a limited degree of autonomy within a decentralized system. Ornelas (1997) and Pardo (1999) mention that the Mexican fiscal model is still centralized because of the ability of the federal government to obtain higher revenues and because of the level of professionalism in its staff. States and municipalities are not able to accomplish such fiscal control. Fiske (1996) points out that "one difficulty with turning spending decisions over to local politicians is that they may be more interested in using available funds for visible, short-term gains, such as roads or irrigation schemes, than in using them for education, where the gains are less immediately apparent and more long-term" (p. 24).

The central government in Mexico, together with the *Secretaría de Educación Pública* (SEP) and the *Secretaría de Hacienda y Crédito Público* (SHCP), uses complex formulas and procedures to transfer resources to the states. To accomplish an effective fiscal coordination, SEP's resources are earmarked and classified according to a specific expenditure necessity. Earmarked resources in education, as it is stated in the Fiscal Coordination Law, should increase every fiscal year. The purpose of this law is to assure that states get higher resources each year to carry out their educational necessities and to avoid budget deviations.

To understand how states spend and generate financial resources, it is important to emphasize that the federal and state expenditure model in Mexico refers to two different allotments. One is the *state allotment*, which includes contributions to education from a state's own resources, and the other is the *federal allotment*, which is earmarked through aggregates¹⁹ and programs from the federation to the state governments.

¹⁹ The Federal Budget Expenditure states different earmarked resources to education. For example, the aggregate 25 or "*irreductible*" –in Spanish- are funds that SEP transfers every fiscal year to states and are based on the previous budget, which may increase or decrease depending on fiscal situations. This fund includes payrolls, materials, loans, and other general services. The aggregate 26 is related to municipal

The Ministry of Public Education is the legal authority that defines the different revenues that will be distributed to the states and to some other units of responsibility within the Ministry of Education. Every fiscal year, states have to present to the SEP their preliminary budget according to goals and necessities (i.e., the construction of new schools, the coverage of student population, and teacher payrolls). So before allocating the earmarked resources to the states, the *Dirección General de Planeación, Programación y Presupuesto* (DGPP&P) (which is the organism in charge of calculating, allocating, and “negotiating” the budget expenditure for education) together with the *Secretaría de Hacienda y Crédito Público* (SHCP), compares the states’ previous budgets and educational needs to decide by how much their budget has to increase. Once the preliminary budget is planned and revised by the SHCP in coordination with the SEP’s authorities, it is sent to the Congress, where the budget for education is approved every year along with the budgets for other ministries.

In theory, allocation, control, and supervision of educational expenditures rely on the federal level in the Budget Management Office and the Chamber of Deputies of the Union Congress. At the state and municipality levels, it is the responsibility of the state bodies to establish how revenues and expenditures are allocated, as well as to verify and to inform the federal government that transferred funds have been applied to education. In addition, “SEP authorities meet with state governors quite often to discuss the process of decentralization. The problem with the budget evaluation is that states do not submit their reports on time. This delay does not affect the process of programming, because everything is under control.”²⁰ However, in practice there is empirical evidence that not only the federal level lacks mechanisms for fund evaluation but also the state level lacks accurate information about its educational system (Burki et al., 1999; OCE, 1999a; Schmelkes, 1997).

development, regional projects, and to promote education. The fund from the aggregate 33 is designated to maintain and to build schools, for adult education, for technical schooling and to finance state and municipal educational projects. The ministry of education is in charge of approximately 70% of the budget.

²⁰ DGPP&P official interview data, no. BDGTOFF02, July 2000.

I have explained the mechanism that the federal government follows to allocate federal resources. However, little is known about budget negotiations between the SEP and state governors.²¹ The only firm fact is, as a budget authority from the DGPP&P mentioned, “there is no further negotiation with any state once the Congress determines the budget.”²² However, Gershberg (1999) argues that, since educational decentralization “the federal budgeting process itself did not change significantly. The federal allocations to states would still be described as annually negotiated, discretionary transferred” (p. 70). Yet, it is still unclear how SEP authorities implement the fiscal transfer formula to states.

In addition, the practice of discretionary transfers in the SEP entails strong political relations between state authorities and budget-makers. McGinn and Street (1982) explain that the executive (through the DGPP&P) has a strong influence over the decisions made in the budget process. “If states can give convincing arguments to obtain more resources this approval is handled in a discretionary manner” (Pardo, 1999, p. 116). Although states have to operate with the allocated budget, governors still ask for additional allocations. The most common reason for extra budget petitions is that governors run out of money to continue educational projects or they simply cannot satisfy the financial requirements for teacher salaries.²³ To deal with this situation “governors or delegates (state representatives of the secretary of education) consult directly with the Director General of the DGPP&P, the minister of education, the minister of finance, and sometimes the President” (McGinn & Street, 1982, p. 183; Ornelas, 1997, p. 73). Given the political level of these negotiating parties, a successful negotiation depends on several factors, such as the level of economic development of the state, the political relationship with high authorities, the political party in turn, and the level of political conflict in the state.

²¹ Unfortunately, there is little literature that confirms the complexity of the negotiation process. However, according to informal talks that I had with SEP authorities, the process is managed secretly between a small group of DGPP&P officials, who have been in charge of the budget practice for a long time, and state governors that keep good relations with DGPP&P officials.

²² DGPP&P official interview data, no. BDGTOFF02, July 2000.

²³ In 1995, the SEP and the Congress revised the Fiscal Coordination Law when both authorities pointed out that states were not allocating funds for educational purposes. The intention to strengthen the Law was to monitor states’ expenditures more effectively, by giving SEP sort of a “watchdog” role. The minister of education, Miguel Limón declared to the newspaper that state governors deviate educational funds to construct roads or to create schools in areas where there is no electricity. The minister also mentioned that governors delay the delivery of funds that are transferred for payrolls to obtain benefits that are not related to education. Melgar, I. (1997, November 25). Reconoce la SEP desvío de recursos. *Reforma*.

According to McGinn and Street (1982), “the process of making the educational budget in Mexico is political” (p. 189).

Budget allocation is not only a matter of unclear negotiations but also a point of conflict between SEP authorities and state governors. “Some governors describe the current process as “centralized-decentralization” not only for the strong attributions that the law confers to the federation, but also for the financial and administrative controls from the SEP” (OCE, 1999, p. 2). States complain that the control that SEP has over teacher salaries and negotiations diminishes state sovereignty where governors take part only as mediators between the SNTE and the SEP.²⁴ Moreover, “it has been very difficult for the states with both a federal and a state educational system to integrate funds,²⁵ particularly because the teachers of both systems had different salaries and especially, fringe benefits” (Schmelkes, 1997, p. 157).

Governors from poor states express their frustration because of the difficult goals that SEP expects them to accomplish –to increase school coverage, efficiency, and quality- with “few” budget resources, while the SEP was not even able to carry out such goals with a superior budget (OCE, 1999). “Some states are willing to give back to SEP the management of resources, because the SEP transferred problems to the states without giving the means to tackle the financial difficulties.”²⁶ Ornelas (1995) explains that “through history some states designate higher proportions of their budget to educational aims, this is the case of Mexico, Nuevo León, Veracruz, and Baja California. By contrast, states like Oaxaca²⁷ and Guerrero with a high degree of poverty hardly satisfy their educational necessities” (p. 264). The problem is that SEP has not established better and equitable financial criteria to obtain revenues and to distribute them among states;

²⁴ As a tradition, every May and December in Mexico City, the ministry and sometimes the President hold negotiations with the teachers’ union leader to increase teachers’ salaries. Even though during 2000 teachers were told that all salary negotiations were going to take place with their states, the federal government is still determining the increasing salary. (2000, May 17). Siguen protestas magisteriales. *Reforma*.

²⁵ Since 1992 as a consequence of decentralization, only 22 states have merged federal and state educational systems and have created their own educational law, while 9 states are still pending to merge both systems (OCE, 1999). “Teachers’ salaries are a very risky situation, if they merge, salaries should increase ten or fifteen times more.” Pardo, *op.cit.*, p. 123.

²⁶ Interview data, no. RESEDU01, July 2000.

²⁷ Oaxaca is one of the states with the highest levels of poverty in Mexico. It has 3,500 communities with fewer than 100 habitants and it has 2,500 more communities of 100 to 200 habitants. The majority (who do not speak Spanish) is poor and live off farming. Ornelas, C. (1997). *La descentralización de la educación en México*. Santiago de Chile: CEPAL.

otherwise, many state governments would be willing to allocate more resources to education (OCE, 1999).

State governors argue that compensatory programs are designed and managed centrally rather than negotiated together with the states. However, the central government is clear in its purpose to distribute funds to the poorest communities based on equity and development criteria. The federal government spends millions of dollars every year on compensatory programs to improve the quality of basic education in the most disadvantaged rural and marginal urban communities.²⁸ The problem with these programs is that they are targeted to very poor states like Chiapas, Guerrero, Hidalgo, and Oaxaca, forgetting that the problem of inequality remains within each state and may not enhance the participation of communities to improve their conditions (Schmelkes, 1997).

There are few studies that address issues about budget restrictions to states that are governed by other political parties instead of the *Partido Revolucionario Institucional* (PRI).²⁹ Scholars argue that there is a connection between political power and budget allocation (McGinn & Street, 1982). In Mexico, most governors –especially from PRI– maintain close relations with federal government authorities; these relations allow them to obtain all sorts of benefits, including financial advantages. Nevertheless, it is difficult to determine if this would be the case for Nuevo León and Oaxaca. In Nuevo León, for example, when the *ANMEB* was signed the state was governed by the PRI,³⁰ and since 1997 the *Partido Acción Nacional* (PAN) has been ruling Nuevo León governing 90 percent of the population. On the other hand, the PRI in Oaxaca is the strongest political force; while in Nuevo León the PRI's power remains in rural and marginal urban areas.

4.1.1. Budget Allocation in Nuevo León and Oaxaca

It is important to point out that this section suffers from two limitations. First, there is a lack of statistical data for state resource budget allocations for each of the 31

²⁸ Indigenous communities in Chiapas, Guerrero or Oaxaca, receive additional resources from the federal government and international organizations, to support compensatory programs. A recent World Bank loan of US\$780 million pesos was given to strengthen basic education in rural states (World Bank, 1998).

²⁹ The *Partido Revolucionario Institucional* (PRI) was the ruling party for 71 years, however, on July 3, 2000, the *Partido Acción Nacional* (PAN) won the presidential elections.

³⁰ Recently the ex-governor Sócrates Rizzo from the PRI, who became popular in Nuevo León for implementing quality control techniques within the public administration, was involved in a fraud of 8.5 millions pesos. García, M. (2000, July 12). Citan a Doria para explicar desvíos. *Reforma*.

states, and per state student expenditures for each state after decentralization.³¹ Second, while reviewing the literature for this paper, I found that most sources do not explain the current fiscal situation in the states. However, this section will attempt to carry out an analysis using the data available, to look at how resources have been distributed according to the states' necessities, and to see if this allocation has somehow worsened the equity between Nuevo León and Oaxaca.

Since educational decentralization, states have increased their responsibilities for determining and allocating resources for education. However, before educational decentralization took place, Noriega (1992) points out, "states received financial responsibilities in times of financial limitations" (p. 35). At the same time, most of the states were still dependent on the central government due to their low development conditions and to their weak fiscal capacities. Nuevo León and the State of Mexico, for example, did not face financial constraints, because they were among the states with higher educational contributions. Thus, most of the states faced budget constraints within a context of dissimilar budget allocation practices "increasing the risks to develop unequal conditions between rich and poor states."³²

Data from Table 2 show federal budget transfers to primary education in Nuevo León and Oaxaca from 1982 to 1988. The scale goes from zero to nine percent, where 100 represents the percentage of total transfers over all 31 states, and zero stands for the percentage of states that do not receive a transfer from the central government. Oaxaca over time received many more resources than Nuevo León. In 1984, Oaxaca had its highest allocation (7.14 percent), while Nuevo León had its highest allocation in 1982, 3.07. Noriega (1992) mentions that transfer differences between these states are not only related to educational factors but also to the degree of conflict with the union or radical groups that are not related with the SNTE. Thus, differences in budget transfers to states may be related: to state's capacity to negotiate with key groups in power, the degree of interest that the state administration has for education, and political conflicts in the state.

³¹ Since 1996, the SEP has been conducting an annual State Education Financial Survey in order to obtain more accurate and reliable estimates of state-provided resources.

³² Alvarez, C. (1998, April 16). Augura la OCDE mayor disparidad entre estados. *Reforma*.

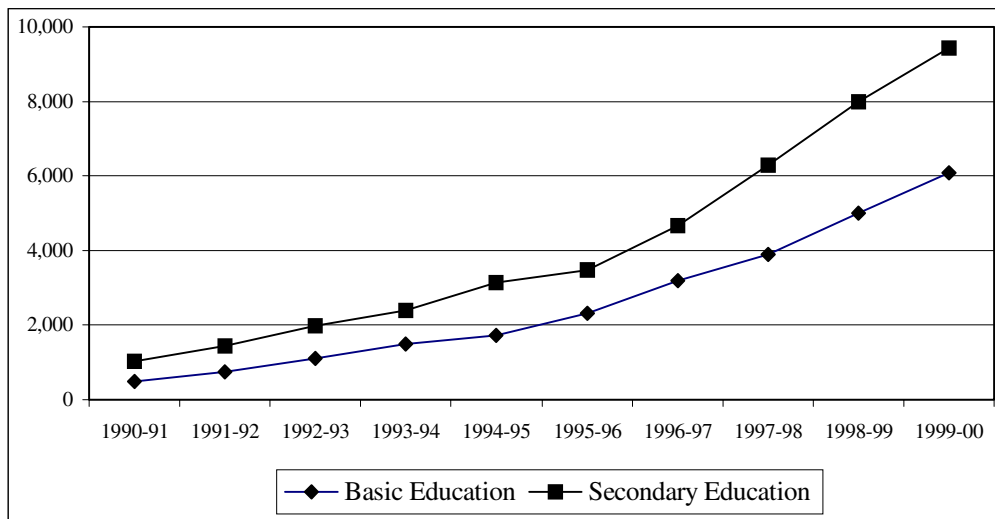
Table 2: Percentage Distribution of Federal Budget Transfers to Primary Education (1982-1988)

| State | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 |
|--------------|-------|------|-------|-------|-------|-------|-------|
| Nuevo León | 3.07 | 2.91 | 2.74 | 2.36 | 2.31 | 2.49 | 2.45 |
| Oaxaca | 6.14 | 6.09 | 7.14 | 4.72 | 4.83 | 5.36 | 6.02 |
| Other states | 90.79 | 91.0 | 90.12 | 92.92 | 92.86 | 92.15 | 91.53 |
| Total | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

Source: Noriega, M. (1992). La equidad y el financiamiento educativo, problemas clave de la federalización. *El Cotidiano*, 51, 36.

It is important to mention that the statistical information in the allocation of the resources available limits the possibilities to demonstrate states differences in budget transfers. However, federal statistical data show that in spite of the crisis that Mexico faced from 1995 to 1996, and the consequences that it had on the reduction of the federal budget, the government was able to keep increasing its educational budget. The federal government transferred to the states \$65,036,759 pesos in 1994, \$77,612,034 in 1995, and \$106,637,896 pesos in 1996.³³ Graph 1 shows that the average federal expenditure per student in primary and secondary education has increased over time.

Graph 1: Evolution of Federal Expenditure Per Student In Pesos by Year



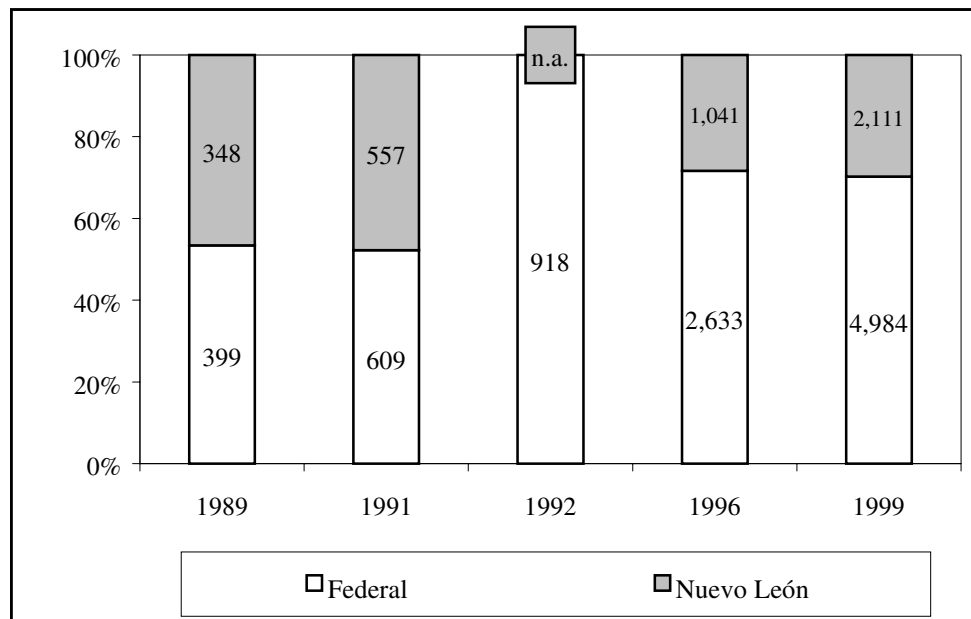
Year 1999-00 is estimated.

Source: Secretaría de Educación Pública. (1999b), *Informe de Labores: 1998-1999*. Mexico: SEP.

³³ These amounts do not consider inflation and devaluation of the Mexican currency.

Graphs 2 and 3 show the evolution of state and federal educational budget expenditure. The federal expenditure for both states increased significantly, but Nuevo León and Oaxaca’s expenditure had remarkable differences. For example, in 1999, the Nuevo León state government spent \$2,111,200.00 pesos, which represents 29.8 percent of total expenditure on education in Nuevo León, while Oaxaca spent \$472,000.00 pesos, which is only 6.8 percent of the total spending on education for the same year.³⁴ These differences in budget allocations are important to determine the capacity as well as the “preference” that each state has for spending on education. In addition, these differences in budget allocation raise important questions: Under what conditions are states able to spend more on education? To what extent is decentralization related to the increase of educational expenditure?

Graph 2: Percentage of Federal and State Education Budgets in Nuevo León (1989-1999)



Year 1999 is estimated

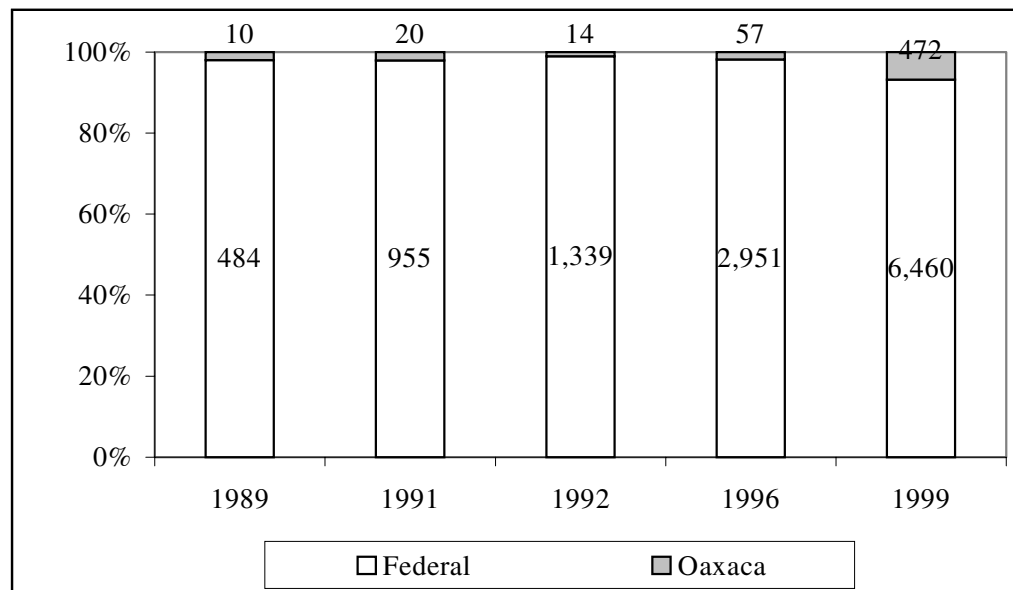
n.a.: not available.

Totals are in thousand pesos.

Source: Dirección de Planeación, Programación y Presupuesto (2000). Internal Report. Mexico: SEP.

³⁴Estimated Data. Dirección General de Planeación, Programación y Presupuesto (2000). Internal Report. Mexico: Secretaría de Educación Pública.

Graph 3: Percentage of Federal and State Education Budgets in Oaxaca (1989-1999)



Year 1999 is estimated.

Totals are in thousand pesos.

Source: Dirección de Planeación, Programación y Presupuesto (2000). Internal Report. Mexico: SEP.

An official from the *Dirección General de Planeación, Programación y Presupuesto* (DGPP&P) mentioned that:

...states follow a trend in expenditure according to their degree of development, which is connected to their fiscal capacity and has nothing to do with decentralization. The abundance of resources is not a condition to obtain additional funds from the federation. States that want to invest more on education have to submit their project, which is analyzed, and if its approved the federation gives half of the money required.³⁵

However, it is still unclear under what conditions a state becomes a candidate to receive a federal reward, because not all states that spend more on education, which are among the healthier ones, receive federal rewards. The federal allocation practice that rewards states for spending own-source revenues on education is as unclear as the rest of the budgeting process (Gershberg, 1999). In 1999, Baja California, Coahuila, Chihuahua, Jalisco, State

³⁵ DGPP&P official interview data, no. BDGTOFF02, July 2000.

of Mexico, Nuevo León, and Sonora, received in total \$2,203,700.00 pesos,³⁶ while in the same year, other states invested about the same proportion, like Durango, Guanajuato, and Tabasco and did not receive a reward. The situation was similar for Tamaulipas and Veracruz, whose schools achieved the same level of those of the healthier states and are not considered for a reward either. In short, “the impact of decentralization on spending for education is as much a function of context and external economic and political conditions as it is a function of decentralization itself” (Fiske, 1996, p. 24).

4.1.2. Financial Efficiency and Equity Effects

The extent to which the educational system can help foster the social and economic development of a country depends on its efficiency and its equity. Therefore, the allocation of public resources should be handled in such a way as to increase the number of children reached, especially those at lower income levels, by quality teaching and improving the efficiency of schools. Fiske (1996) mentions that a negative consequence of decentralization has to do with widening performance gaps between students in wealthy and poor communities. “In theory, decentralization has the potential to improve both the finance and efficiency of public education, as well as the potential to worsen equity” by decreasing the quality of education (Winkler, 1989, p. 27).

Many states in Mexico were not ready either financially or administratively to decentralize basic education. Oaxaca, for example, “had to make administrative adjustments in order to accomplish governmental regulations during the process.”³⁷ Regardless of this situation, and the remarkable equity differences between northern and southern states, most governors have found ways to continue the implementation process. Such is the case in Oaxaca, Guerrero, and Chiapas, to mention some, who are still in need of much more governmental assistance.³⁸

In addition, Pardo (1999) and Ornelas (1997) argue, as mentioned previously, that states do not have the fiscal capacity to create their own revenues. Winkler (1993)

³⁶ Budget expenditure data from 1999 is estimated. *Dirección de Planeación, Programación y Presupuesto* (2000). Internal Report. Mexico: SEP.

³⁷ Interview data, no. ADVOAX03, July 2000.

³⁸ Recently, the governor of Oaxaca, José Murat, asked the federal government for special financial support to satisfy the growing demands of Oaxaca and to avoid the new federalism widening regional inequalities. (Gobierno del Estado de Oaxaca (1999), *Primer Informe de Gobierno*, p.16).

explains, “local governments with low fiscal capacity (that is, a low property-tax base) cannot raise and allocate sufficient revenues to provide the quantity and quality of education that was provided earlier” (p. 115). Winkler (1993) also mentions two factors that lead to low equality:

First, when there are large differences in expenditures and educational attainment among a country’s regions, ethnic groups or races or socioeconomic groups. Second, high positive correlations between educational expenditures and family income or between educational expenditures and fiscal capacity of the jurisdiction are also a reflection of low equality of educational opportunity (p. 118).

The first possibility perfectly addresses the case of Oaxaca, which is the second to last state after Chiapas in terms of educational spending. By comparison, Nuevo León is the second largest spender on education after the Federal District. In Oaxaca more than 7% of its population do not speak Spanish and many different ethnic indigenous groups exist. The second factor is that Nuevo León has made larger educational and fiscal improvements than Oaxaca historically, and “it has been among the states with better family income and better human development.”³⁹ Thus, Oaxaca is more likely to face revenue difficulties that can adversely affect education.

Table 3 shows a strong correlation between GNP per capita and poverty level in Nuevo León and Oaxaca. According to data from the *Instituto Nacional de Estadística, Geografía e Informática* (INEGI) and the OECD, in 1998 Nuevo León was among the top ten states –ranking in the fourth position- whose GNP per capita is above the other states, with an index of 168, and Oaxaca ranked in the last position with an index of 42 among the ten states below the gross national product.⁴⁰ Thus, Nuevo León generates many more financial resources as compared to Oaxaca.

Various indicators reveal that Mexico as a whole has achieved considerable progress and improvement in recent years regarding the terminal efficiency of its educational system. However, there is still a remarkable educational gap between Nuevo León and Oaxaca. Table 3 also shows student achievement in primary schooling for 1988

³⁹ The other states are: *Baja California Norte and Sur, Sonora, Colima, Sinaloa, Distrito Federal, Coahuila, Aguascalientes, Jalisco and México*. Alvarez, C. (1998, April 16). *Reforma*.

⁴⁰ *Ibid.*

and 1998. Dropouts in Nuevo León for primary schooling have improved significantly with its lowest percentage (1.0) in 1998. Even though Oaxaca shows a significant change in its dropout rate between 1988 and 1998, it still has a high percentage (4.1). In 1998 the termination efficiency for Nuevo León was 94.6 percent, while in Oaxaca it was 75.0 percent. The differences in years of schooling were 9.5 years for Nuevo León and 5.7 years for Oaxaca.

Table 3: Economic and Educational Indicators

| State | GNP p/c 1998 | Poverty Level 1995 | National Poverty Rank 1995 | Dropout Primary Education | | Terminal Efficiency Primary Education | | Years of Schooling Primary Education | |
|-------------------|--------------|--------------------|----------------------------|---------------------------|-----------|---------------------------------------|-----------|--------------------------------------|-------|
| | | | | 1988 (%) | 1998e (%) | 1988 (%) | 1998e (%) | 1980 | 1999e |
| <i>Nuevo León</i> | 168 | -1,472* | 31 | 3.3 | 1.0 | 72.1 | 94.6 | 6.0 | 9.5 |
| <i>Oaxaca</i> | 42 | 1,876** | 3 | 7.5 | 4.1 | 52.2.8 | 75.0 | 2.8 | 5.7 |

GNP per capita index=100

*Indicates very low poverty level ** Stands for a very high poverty level.

The terminal efficiency is the percent of students who finish the course work in six years.

e/estimated.

Source: Conapo (1999); SEP (1999b), and Alvarez, C. (1998, April 16). *Reforma*.

It is important to point out that the data shown in Table 3 do not imply that such disparities are the product of educational decentralization. However, I want to stress that evidences of what may cause negative consequences of decentralization may be manifest in declining achievement performances and widening performance gaps between students in wealthy and poor areas (Chau, 1985; Arnove, 1997). Thus, extreme poverty conditions of the population in Oaxaca are already a disadvantage for students with lower resources for achieving better results, than for those children in Nuevo León who have better learning opportunities.

In short, as a result of educational decentralization, states in Mexico are playing new roles in terms of educational expenditures. The process of decentralization, as mentioned before, was implemented under very heterogeneous administrative structures and financial conditions in the states. Nuevo León spends almost 30 percent of its own budget on education, while Oaxaca's government spends five percent. In Oaxaca for example,

...planning deficiencies limit an effective management of the resources. The planning office restricts itself to follow the mere budget official procedures and sometimes to 'negotiate' an increment in the annual budget. Moreover, the degree of 'freedom' that the federal government gives to states to innovate within their educational systems, as long as states finance their projects, limits Oaxaca's possibilities to reform or to innovate, its system. We do not have the authority to allocate the budget or to increase it if is necessary.⁴¹

The federal government plays a compensating role providing Oaxaca more than double the financial resources compared to Nuevo León. However, "in terms of equity Oaxaca still does not show an improvement directly associated to decentralization."⁴² This raises interesting questions, such as what are the implications of this asymmetrical implementation in terms of budget distribution in Nuevo León and Oaxaca? "The disparity in the distribution of the public resources that states allocate to their educational systems is still enormous, as well as the expenditure from the federal government" (Pardo, 1999, p. 117).

Moreover, states have different needs. Oaxaca, for example, with its low fiscal capacity demands much more support from the government in terms of public resources, while Nuevo León claims far more autonomy to allocate its expenditures. "If indeed decentralization means the possibility for richer regions to devote more resources to education, the effect will be the widening of disparities rather than the reverse" (Chau, 1985, p. 96).

4.2. The Decentralization of the Educational System in Nuevo León

This section briefly explains how the educational system in Nuevo León was centralized and how it eventually took the path towards educational decentralization. It first addresses the structural changes within the state's ministry of education, and secondly, it looks at the main projects carried out in the educational system by emphasizing the state government efforts to innovate through the "Nuevo León Education Agreement." In addition, this section shows teachers' union relations with federal and state governments and between union sections.

⁴¹ Interview data, ADVOAX04, July 2000.

⁴² *Ibid.*

4.2.1. The Administrative Perspective

Before educational decentralization took place, the educational system in Nuevo León had a dual administrative model. On one side there was, the *Unidad de Servicios a Descentralizar*, a federal structure, which had certain independence (due to its distance from the central authorities) and on the other there was the *Subsecretaría de Educación*, a state structure, whose decision-making depended on the federal government and to a lesser degree on the state government.

According to Mejía (1999), the management of the state structure in Nuevo León was mainly a matter for the governor, who in turn appointed the director or delegate “more with a sense of political party strategy rather than with an educational policy end” (p. 246). There was no particular feature that the director had to have. That is why educational policy during that period had no continuity and had a personal political touch followed by doubtful and questionable pedagogic devices (Mejía, 1999).

Meanwhile, the educational system was facing times of crisis and financial difficulties. The teacher career was losing social status, teachers were not satisfied with their low salaries, and qualified teachers were concentrated in urban areas. Likewise administrations had a lack of leadership and were excessively bureaucratized, and very centralized. Besides, not only the state but also the federal structure had developed strong power within the administrative structure that were damaging the educational system and destroying political relations with the federal government.

In 1988, under the circumstances described above (prior to the educational decentralization of education) the Nuevo León’s governor from the PRI, Sócrates Rizzo, implemented a “total quality model” in order to deliver more efficient services within the administrative and academic areas. In 1992, this model was implemented in every state office, including the Ministry of Education, which entered into what was called the “Nuevo León Education Agreement”. The Agreement not only fulfilled the *ANMEB*’s mandate to modernize the educational system, but it also started to lead the system towards more competitive national and international standards.⁴³

⁴³ During 1992 and 1994 the Mexican government sponsored an achievement test in seven main cities around the U.S., Canada, and Mexico. The aim of the study was to generate information about student’s achievement in sixth and ninth grade in the cognitive areas of Mathematics, Science and Reading. The cities that participated were: in the U.S., Philadelphia, and San Francisco; in Canada, Montreal and

Under Rizzo's administration, educational policy was considered a major priority within the government's program. In 1992, the educational system faced its most important phase with the signing of the *ANMEB*. The *Unidad de Servicios a Descentralizar* and the *Subsecretaría de Educación* integrated its offices in one structure, the *Unidad de Integración Educativa de Nuevo León*, which is in charge of transferring educational services from the government. This new structure incorporated its functions into the state Ministry of Education by upgrading its capabilities. Consequently, "the Department of Education became a large institution with four under-secretaries and 15 deconcentrated offices. The secretary is now a powerful actor, dealing with SNTE sections and managing a budget transferred from the federal government close to 180 million dollars in 1996, and administering 4,650 basic education schools, with 35,000 teachers, attending 762,000 students" (Ornelas, 2000, pp. 10-11).

It is important to mention that this "merge," was done only for *coordination* purposes between the ex-federal and state educational services; Nuevo León is one of the nine states that have not merged both structures legally.⁴⁴ Moreover, the merger has specific features: first, in practice, the ex-federal and state structures carry out their responsibilities under the same structure, although there is no legislation that states such coordination, and secondly, there are still differences between federal and state teachers' salaries and social benefits.

The educational minister of Nuevo León, in order to achieve the "total quality model", introduced a group of young technocrats into the innovative structure, with Edilberto Cervantes leading the group. Mejia (1999) notes that within the structure were two different groups: one in charge of the renovation and other represented by local technicians and scholars also experienced in the field. However in 1997, when the PAN

Vancouver; and in Mexico, *Distrito Federal, Guadalajara, and Monterrey*. The highest rank was for Vancouver's kids with (59.3), while San Francisco and Montreal did not show a big difference (50.9) and (50.3). The fourth, fifth and sixth positions were for *Distrito Federal* with (45.3), *Monterrey* (42.5), and *Guadalajara* (40.6). The last position was for Philadelphia with (38.2). Guevara, G., Mancera, E. (1995, August) El desempeño educativo en América del Norte. *Educación 2001*, Mexico.

⁴⁴ There is a strong concern from state authorities to modify Nuevo León's educational law, because it is not updated since 1984 to fulfill the Educational Law requirements. Recently Nuevo León launched the new state's education draft law, after having previous drafts rejected from the State Congress. Nuevo León's educational law is still in process. Secretaría de Educación del Gobierno de Nuevo León (2000). *Antecedentes a la Iniciativa de la Nueva Ley Estatal de Educación*. Available on line at: <http://www.nl.gob.mx>. The rest of the states that have not merged their systems are: *Baja California, Coahuila, Colima, Sinaloa, and Sonora*.

succeeded to the governorship, Cervantes resigned from the Ministry. In his position, Rangel Guerra incorporated another team, which had the opposite characteristics of Cervantes's staff: officers who were retired and identified with a more traditional culture. Mejía (1999) points out "that this attitude did not complement the previous administration, diminishing the power of the modernization process" (p. 295).

Nuevo León Education Agreement in the Context of Basic Education

Besides the modernization of the administration the state also carried out the total quality model known for primary schools. The "*Nuevo León Education Agreement*" involved school personnel, teachers, students, parents, and the community. The ambitious project reunited the fifteen highest achieving schools in the state in order to analyze what made these schools more effective than others. A group of experts came up with five conclusions:

1. Schools are considered to be the main producers of bad or good education.
2. School quality depends on the degree of leadership from its principal.
3. The role of the Ministry of Education is to provide principals and teachers the adequate conditions to improve school quality.
4. Teachers are a key resource to provide teaching quality.
5. The role of the community, parents and students is essential within the process of delivering quality education (Mejía, 1999, p. 267).

Within this context, the Ministry of Education started the "total quality" pilot project by training principals and teachers at pre-school, primary and secondary schools throughout the state. Diverse reactions appeared in the 111 schools registered in the state: most schools were committed to the project and gained followers easily, while other schools demonstrated a strong opposition from their teachers. The problem was that some teachers were not willing to spare the time to be trained. Also they expressed their resistance to the project by saying that if the ministry wanted "quality" then it should pay them more (Mejía, 1999, p. 268).

Despite opposition the project became extremely successful. By 1995 the goal was to cover 1000 schools. To attain this, the Ministry of Education continued the same strategy for training: to make teachers participate on a voluntary basis. The insertion of such a strategy within a corporatist system surprised most principals and teachers who were used to traditional co-optist mechanisms. However, the Ministry encountered two

difficulties. One previously identified, teachers were still resisting change and policy makers assumed that the concepts encountered during the training were too difficult for teachers. Most teachers liked the training sessions, particularly the readers used and the discussion sections in class; others were quite skeptical about the results due to futile prior experiences in teachers trainings launched by the federal government. Unfortunately, there is not enough empirical evidence to show if more schools have been integrated or if the new administration keeps monitoring the project.

In addition to starting this new program, Nuevo León also took advantage of educational decentralization to improve education by starting state evaluation of schools. In 1992 the State Evaluation System, which is part of Nuevo León's ministry of education structure, started to monitor student achievement in primary schools. Students from fourth to sixth grade were assessed in mathematics, reading, and history. The purpose of these tests was to inform educational authorities (including principals, teachers, and decision-makers) about the strengths and weaknesses of the educational system and to improve the quality of education. As a result, the Ministry employed its own database to evaluate the educational system and took part in international seminars about learning quality measures in coordination with UNESCO.

The creation of the State Program of Social Participation is another element of the Education Agreement of Nuevo León and it is based on the conditions signed in the *ANMEB*. Most schools have created School Committees of Social Participation to enhance the quality of education through the participation of the community within its schools. The experience of such committees in Nuevo León shows satisfactory results.⁴⁵ For example, students are getting benefits from 2,498 committees, of which 1,391 belong to primary schools.

Another issue concerning the innovation process is related to the quality of teaching. The organism in charge of updating and training teachers is the *Centro de Actualización de los Maestros* (CECAM). The reaction from teachers about the workshops is generally positive, however, teachers complain that courses do not have an immediate impact in their salaries.

⁴⁵ Nuevo León is among the states with higher community participation, as opposed to Oaxaca, where school committees of social participation are in the lowest level at the municipal and regional level. Rosas, F. (1995, June). *Cifras de la Modernización Educativa, Educación 2001*. Mexico.

Table 4 below summarizes the most important objectives and outcomes derived from the Education Agreement of Nuevo León.

4.2.2. The Federal and State Teachers' Union Relations

The teachers' union in Nuevo León is still composed as a dual union as in most of the other states. On one side, there is Section 21, federal, and on the other, there is the Section 50, regional. Both fractions did not present major difficulties for the state administration until the late 1980s. The major complaint from the SNTE's Section 21 was that the *ANMEB* planned the reorganization of the state's educational system without a previous diagnostic. "The regional offices became one more within the local bureaucracy and they are not even able to take decisions. State offices lack of key information to solve local problems, an after all they are poorly administered" (Mejía, 1999, p. 287). Nevertheless, the union was part of a fixed agreement between the Federal Direction of Primary Education and the General Director of Primary Education. This agreement consisted of giving to members of the union strategic areas within the Ministry of Education, as well as teaching positions (*nombramientos*). The Federal Direction of Primary Education had from 1975 to 1991 the same delegate. For the case of Nuevo León the appointment of the director or delegate was not an issue for the teachers' union –as in the case for Oaxaca. Although, the delegate received unconditional support from the union, in which most of whose members belonged to the PRI. Instead, agreements between the two union sections involved strategic political positions in the public administration (Mejía, 1999).

Due to the dual system of education that prevails in Nuevo León, the state faces the integration of federal and state teachers. In terms of salary's standardization (*homologación*) "federal unionized teachers should equalize their labor conditions with state teachers. This is a situation difficult to accomplish in the short run, because most states do not have the financial resources to raise state teachers salaries without reducing those of federal teachers" (Tatto, 1999, p. 258). The Section 21 (federal) has nothing to lose with such salary and social benefits, because federal teachers earn more than local ones. Instead, teachers from the section 50 (state) are disappointed with their salary conditions. Based on this scenario, it is expected that in the short run relations between

the teachers' union and the state government may worsen and that the state co-optist mechanism within the administrative structure may not guarantee a system where teachers remain only as passive actors.

Table 4: Nuevo León's Main Educational Objectives

| <i>Nuevo León's Education Agreement</i> | <i>Objective</i> | <i>Goal Achieved</i> |
|---|---|---|
| Modernization of the administrative structure. | To re-structure and to determine responsibilities, functions, from the areas within the Ministry of Education | Elaborating and updating organizational manuals, for the use of the regional and central units of the Ministry. |
| Relocating basic education school zones. | To structure educational services according to their regional office, as well as to their established norm to avoid administrative disparities. | Establishing a mixed Commission with members of the SEP and the SNTE's sections 21 and 50, to relocate school zones. Monitoring school zones within the state and federal systems. |
| Implementation of the Total Quality Method for Basic Education. | To introduce principals and teachers the established norms within the new educational context, in order to accomplish school quality. | Delivering effective school principals and teachers' training. |
| Evaluation of the educational system. | To identify in which areas students achieve less. To enhance quality of education by monitoring primary students achievement, in cognitive areas like mathematics, reading, and history. | Assessing students continuously and submitting final achievement reports. |
| Social participation | To promote social participation to support school and community activities, based on the total quality model. | Creating of School Committees of Social Participation in each school. |
| Teachers as part of the innovation process | To update teachers according to the new curriculum and to recognize their teaching function. | Creating Training Centers for Teachers. |

Source: Mejía, J. A. (1999) Federalismo e innovación educativa en México. El caso de Nuevo León. In María del Carmen Pardo (Coord.). *Federalización e innovación educativa en México*. Mexico. El Colegio de México; (1995, June). Pacto Educativo Nuevo León, *Educación 2001*. Mexico.

In sum, the administration of the educational system in Nuevo León faced administrative difficulties in terms of leadership, “the total quality model” was left behind and after having control of the system in terms of administrative outcomes, and the educational system is now featured in terms of operation into a *laissez-faire* where everyone follows its own project” (Mejía, 1999, p. 296). It is surprising how an educational system like Nuevo León was able to become one of the best states in terms of the delivery of education and administrative services. Mejía (1999) explains that this was possible due to the political stability from the teachers’ union –before the *ANMEB*–, to the administrative capacity of the personal of the state ministry, as well as to the high transfers of resources from the federal government, including the financial contribution made by the state to education.

4.3 The Decentralization of the Educational System in Oaxaca

Similar to the previous section, this part describes the changes that the local government went through to accomplish the administrative responsibilities that emerged from the *ANMEB* in Oaxaca. However, the case of Oaxaca is very different from that of Nuevo León due to economic, administrative, and political conditions that shape Oaxaca and its educational system. This section reveals remarkable differences in terms of educational innovation and administrative capacities when compared with the data on Nuevo León.

4.3.1. The Administrative Perspective

The presence of federal officials from the Ministry of Education (SEP) in the state administration structure has weakened some states, particularly Oaxaca, in terms of administration capabilities and in decision-making abilities. This was the case for the *Dirección Federal de Primaria* in Oaxaca, which had strong political interference from federal SEP authorities. Traditionally, SEP officials appointed state directors for the *Dirección Federal de Primaria*, arguing that federal officials did not have political interests in the state that they were assigned. In the 1970s, the state of Oaxaca suffered, on one side, financial limitations that did not allow the government to spend more on its

educational system and, on the other, technical and pedagogical deficiencies that still persist in the system.

Through the years, the basic education system in Oaxaca grew and so did its problems. Administrative activities such as teachers' payrolls were hard to handle from the federal office. It was in 1974 when the first attempt to deconcentrate emerged with the creation of the *Unidad de Servicios Educativos a Descentralizar* (USEDES). The *Unidad de Servicios* was in charge of the administrative activities from the Federal Direction of Primary Education, however, the latter maintained a type of political-leadership due to its close relationship with local unionized teachers.

In 1978, the SEP reorganized its administrative functions through the *Delegación General de la Secretaría de Educación Pública*. The intentions of the central authorities were to avoid the insertion of staff that was somehow related with the union. However, the new administrative staff was aware of the state's inability to meet the technical requirements for the new structure. At this moment the degree of influence from the union within the *Delegación* was only under the appointed authorities. "The reform of the administrative structure in Oaxaca did not come from the SEP's bureaucracy, like in most of the states, but it was result of the union's movement within the administrative structure" (Ruíz, 1999, p. 496).

After several attempts to modernize the administration of the educational system, the federal government transferred, through the *ANMEB*, 7,807 schools and 30,777 teachers to the state of Oaxaca. The government of Oaxaca finally announced the creation of a decentralized institute to manage the financial resources and the structure of the federal transferred educational services without creating a state secretary. The governor transformed the former coordinated services into the *Instituto Estatal de Educación Pública de Oaxaca* (IEEPO) under a general director from the PRI, who had no relation with the educational sector. Nevertheless, the new Institute continued to have more conflictive situations because of the amount of unionized workers not only within the IEEPO's structure but also within other educational structures. Again the administration showed its inability to carry out the changes within the IEEPO's structure. The Institute did not have experienced technical and administrative staff to take on the modernization of the educational system. Thus, due to strong federal interference in Oaxaca, the federal

authorities assigned the administrative and planning area of the Institute to federal officers maintaining local staff in lower areas.

Since the signing of the *ANMEB*, Oaxaca made noticeable efforts toward the improvement of its educational system. For example, advances made at the administrative level were related to the creation of the IEEPO, to the need to make educational services and budget allocation more effective, the concern for an updated educational law;⁴⁶ and the need to create modern and accurate databases to handle information. Important educational innovations took place from an external commission within the IEEPO. The commission published textbooks for secondary schools in the areas of history and geography, with emphasis on local issues in ecology. In addition, to enhance research projects, local teachers worked together with research groups in the National Pedagogic University in Mexico City. Finally, there are important programs to improve the quality of education, like the “*Aula Abierta*” program, which is targeted to indigenous communities and has the support from international organizations like UNICEF. The state, together with the SEP, continues supporting the program of “*Niños Migrantes*” for indigenous children that have to migrate with their families to other states within the country.

However, historical barriers (e.g. extreme poverty, low fiscal capacity, steady political conflicts) have limited to Oaxaca the possibility to develop its educational system. Most teachers in rural areas of Oaxaca experience low salaries, poor school conditions, and lack of participation in school committees. These conditions, particularly in indigenous communities have a direct impact on the educational system by diminishing the quality of teaching as well as the interest for the profession. In addition, teachers lack the proper preparation needed for them to teach successfully. According to Tatto and Velez (1997), “only about 50 percent of the close to half million (563,328) basic teachers in Mexico have the qualifications that are currently required to teach” (p. 169).

Even though the federal government is concerned about increasing teacher salaries, teachers in rural areas are forced to search for additional alternatives to increase their salaries. Most teachers have more than two jobs, and in some cases, they go to the

⁴⁶ It is important to mention that since 1995 Oaxaca’s Educational Law is still in process (SEP, 1999b).

United States to search for a temporary job. Thus, it is common to find a high rate of absenteeism in rural or remote schools. As an example, parents and municipal authorities in Oaxaca, particularly from the municipality of *Cuicatlán*, asked the governor this year to monitor schools within their municipalities because teachers in rural areas only work ten hours a month. Teachers gave excuses like having meetings with their union delegation or needing assistance from IEEPO. The results of the protests made by the teachers this year, which are already a tradition every month of May, affected 11 thousand schools and 1 million 500 thousand students in Oaxaca.⁴⁷

Scholars argue that teachers in Mexico who work in rural areas “may be absent due in part to the lack of familiarity with contexts different from those where they grew up or where they learned to teach” (Tatto & Velez, 1997, p. 202). Other scholars argue that the main incentive for teachers to leave rural schools is the Teacher Career Program (CM), because they have fewer possibilities to take courses and the evaluations made by students of their teachers tend to be very low. Therefore, it becomes difficult for teachers to accomplish more opportunities to be promoted (OCE, 2000, p. 3).

Muñoz and Schmelkes (1983) argue “that there is no consistency in the distribution of educational demands within rural and urban areas in the country” (p. 36), and there is a divided market: a primary market that offers better salaries and benefits in urban areas, particularly near the main cities; and a secondary one that lacks such incentives and which corresponds to rural and isolated areas (Muñoz & Schmelkes 1983). Teachers from the Section 22 (state) who were against the Teacher Career Program (CM) were quite skeptical about the program. They complained that training was not really successful due to the lack of preparation from the trainers who were not able to use the contents and the concepts of the course, and because the course materials were not ready for the training.

⁴⁷ (2000, May 16). Rechazan maestros aumento del 16%. *El Imparcial*, Oaxaca; Rios, P. (2000, May 17). Sólo trabajan 10 días al mes. *El Imparcial*, Oaxaca, and Nivon, Ma. (2000, May 22). Seguirá plantón en el DF, dice la Sección 22. *El Imparcial*, Oaxaca.

Probably among the most effective rural schools are the ones under compensatory programs.⁴⁸ In 1992, the *Programa para Abatir el Rezago Educativo* (PARE) and its Teacher Education Program started in rural areas in the states of Chiapas, Guerrero, Hidalgo and Oaxaca. The PARE's Teacher Education Program purpose is to provide incentives for teachers to work in poor rural areas as well as in indigenous communities. According to evaluators, in all these states except Oaxaca the goals of the program "had been reached in more than 80 percent" (Tatto & Velez, 1997, p. 177).

Finally, School Committees of Social Participation have been implemented in a few states like Nuevo León. In contrast, committees in Oaxaca are not in practice and the ones that exist remain with no activity (Schmelkes, 1997). Who will supervise and make sure at a local and local municipal level that committees are working properly? Unfortunately, communities and parents in Oaxaca do not see in such committees a supporting and improving entity for their schools. Hurst (1985) explains that the delegation of power from the center to the state or to the locality does not necessarily mean an increase in democratic participation, sounder decisions, and more commitment to implementation under a decentralized model. Moreover, there are some controversies surrounding the management of the committees. Teachers from Section 22 of Oaxaca – Chiapas, Michoacán, and Guerrero- complained because such committees intend to collect fees in public school in order to maintain the committees. They argue that committees will be responsible for legitimating fees in public schools, thereby increasing the risk of privatizing public education. School committees were not successful for various reasons, such as "the opposition of teachers to the strengthening of social presence from other political parties or because the participation itself was dividing the communities, and their demands were more than the financial capacity from the municipalities. These kinds of arguments do not have education quality as their main objective."⁴⁹

⁴⁸The success of the program seems to be closely related to the support in has received from the World Bank and to its organization by state teams which while operating relatively independent from SEP, use for program implementation the historically ingrained hierarchies currently operating in the educational system" (Tatto & Velez, 1997, p. 177).

⁴⁹ Argument from Pablo Latapi, interviewed by Melgar, I. (1995, June). ¿Cuáles son los temas educativos que debemos atender? *Educación 2001*. Mexico.

4.3.2. *The Federal and State Teachers' Union Relations*

The teachers' union is important not only for its size,⁵⁰ and influence within the state, but also for its power within the educational arena. Since early 1970's, the most radical section of the union opposed the decentralization of the educational system. In addition, for almost one decade the conflicts within the two factions of the union in Oaxaca shaped the context of educational decentralization. An independent organization within the SNTE identified as the National Coordination of Educational Workers (CNTE) challenged the hegemonic faction "*Vanguardia Revolucionaria*"⁵¹ to maintain the union hegemony, which represented a way to get important positions in the educational system at a national and a state level. Decentralization, thus, could only be achieved by diminishing the power of the union.

By the late 1970s, the first sign of conflict appeared during the reorganization of the SEP, when the Section 22- the radical side of the SNTE -removed the first delegate by shutting down labor activities. The SNTE's argument was that positions for directors should be occupied by teachers and not by people who do not belong to the sector. The SEP authorities strategy was to appoint instead a teacher that was well known among the union. The government followed that strategy to avoid problems with the SNTE. As a result, most of the created delegations were in control of the SNTE. Later, SEP delegations grew rapidly, and a new political arena emerged, leaving the union aside from key government positions. The political decentralization set a different political scenario, where members of the Section 22 had to deal directly with the new SEP delegates in the state and with other authorities at local levels that had no connections with SNTE representatives in the administrative structure.

In 1992, the arrival of the educational decentralization caused radical reactions from members of the SNTE. The transfer of federal services to the state met with

⁵⁰ The size of the SNTE's Section 22 is more than 55 thousand teachers. Rechazan maestros aumento del 16%. (2000, May 16). *El Imparcial*. Oaxaca.

⁵¹The SNTE (*Sindicato Nacional de Trabajadores de la Educación*) was created in 1943. It is still considered part of the state apparatus and constitutes a nationally spread, financially and politically powerful bureaucracy. Within the union, a top position called "*Vanguardia Revolucionaria*" was created and awarded to its leader, Carlos Jonguitud, who occupied several top positions within the public administration. An opposition group within the union is the CNTE (National Coordination of Education Workers), which is a smaller union with strong influence in the southern states in Mexico. Since 1983, the Section 22 belongs to the CNTE and it is against the CEN of the SNTE. For a detailed description of the SNTE's leadership movement see: (Miranda, 1992).

resistance from the Section 22, due to political positions it had within the government. To avoid future conflicts with the union and to carry out the decentralization without difficulties, the governor's strategy was to improve the relations with the union by yielding to the union's demands to have job positions at the IEEPO, particularly in the areas of pedagogy and labor relations,⁵² and by co-opting the union by giving a \$2,500 million fund to cover the most needed necessities of the union (Ruíz, 1999).

The Section 22 is still a strong political force within certain areas of the educational administration, particularly in the IEEPO, and it is still an active movement in the political life of Oaxaca, in favor of the rights of the union. The insertion of members of the union in the bureaucracy has worsened the administrative process. They are well known for a lack of working skills and for slow decision-making process. In addition, a "vicious circle" shapes the political arena among the federal government, SNTE, National Coordination of Educational Workers (CNTE), Section 22, and the state government. "The federal government maintains a strong alliance with members of the SNTE to protect the federal government from the CNTE. On the other hand, the SNTE maintains permanent conflicting relations with the Section 22, which pressures the state government to obtain benefits from its bureaucratic apparatus,"⁵³ while the state government co-opts the union to maintain "peaceful" relationships.

Moreover, differences between the salaries and social benefits by the federal and state teachers are also a problem in Oaxaca, as well as in the rest of the states. As it was mentioned, these teacher salaries are not negotiated between the local SNTE section and the state education authorities. This is the reason why every year thousands of teachers protest in Mexico City⁵⁴ demanding to negotiate their salaries with SEP authorities and

⁵² Since 1992, the union leader appoints at least five top officials from IEEPO. The procedures to appoint the officials are quite complex. Officials are elected by a direct vote from members of the assembly and from diverse political forces within the section. These officials *must* serve the union's interests and follow the agreements that emerge from the union's assembly. However, there is evidence that these officials make the decision-making a slower process compared to the conventional bureaucracy. Ornelas, C. (1997). *La descentralización de la educación en México*. CEPAL, pp. 127-128.

⁵³ Interview data, no. ADVOAX03, July 2000.

⁵⁴ According to the reports, more than 20 thousand people participated in the protest from 16 different states, although not all of them were teachers. There were members of other unions and organizations (*Reforma*, May 16, 2000). In Oaxaca, teachers that did not want to take part in the protests, which represent 40 percent of the teachers had to give \$500 pesos to support the 60 percent of teachers that did attend. Also, the SNTE's section 22 gave permission to be absent to those unionized workers from the State Institute for Education (IEEPO) so they can receive their complete salary. (2000, May 24). *El Imparcial*.

sometimes with the President. This year negotiations changed slightly. None of the federal authorities that normally take part during negotiation times acceded to speak with the SNTE's leaders.⁵⁵ The Minister of Education, Miguel Rojas, pointed out that due to teachers belonging to a particular section, they should go back to their states because "the SEP is not authorized to attend to the demands posed by SNTE."⁵⁶ The Minister of Education mentioned that there are no possibilities of increasing their salaries, since the Congress had already established them. The union leader from Oaxaca, Humberto Alcalá Betanzos, expressed his unconformity about the lack of interest that the Minister of Education as, well as the Minister of the Internal Affairs showed towards the union.

The federal government is changing the traditional mechanisms to negotiate with the union. How can this change be interpreted in terms of negotiations between the central government and the union? Why does the federal government keep controlling the salaries of teachers, but ignores the conflicts that result from this situation? Weiler (1989) explains that under conditions of conflict, the political decentralization can be a useful strategy to manage the conflict and gain legitimacy. The "conflict management" strategy followed by the federal government demonstrates that the government prefers to maintain lasting negotiations rather than giving a radical solution to the conflict posed by the salaries of teachers. Thus, differences in salaries have been an obstacle for the teachers' union to develop a strategy to defend their working conditions.

⁵⁵Teachers from the CNTE asked for a salary rise of 100% among other petitions after refusing the 16 percent offered from the government. Teachers from Oaxaca submitted their petitions before protests started to the federal government. Petitions were addressed also to the Minister of Education, to the Minister of Internal Affairs, and to the ISSSTE (*Instituto de Seguridad Social al Servicio de los Trabajadores del Estado*). Teachers' demands from SNTE's section 22 were economic and political. Economic demands were about increasing teacher salaries and maintaining their social benefits, increase education's budget, against privatizing education, and to avoid the interference of international organizations, like World Bank and the International Monetary Fund in the national economy. Among the political demands were to free political prisoners from the National Autonomous University of Mexico's conflict, and to retire the army in Chiapas. Usually federal authorities, (representatives from the Presidency, the Ministry of Finance; or the Minister of Education and the Minister of Internal Affairs) take part during teachers' negotiations. During the 2000 negotiations, it was not clear which of the authorities was going to attend to teachers' demands. Sánchez Corona admitted that teachers' negotiations are not the Presidency's sphere of competence, and he suggested to union leaders to return to their local governments, to the SEP or to the Ministry of Internal Affairs. Later, the Minister of Education, Miguel Limón Rojas expressed that each SNTE's section should take their particular cases directly to their local authorities, and when the governor of Oaxaca, José Murat offered to negotiate, the leader from section 22, Humberto Alcalá rejected his offer arguing that the governor had enough time to propose a such deal since the union expressed its demands during the month of March. (2000, May 16). *Reforma* and (2000, May 20). *Reforma*.

⁵⁶ (2000, May 20). *Reforma*,

Even though the staff of Oaxaca has administrative capacities to manage the demands of the *ANMEB*,⁵⁷ the level of innovation and fiscal capacity is still not sufficient to obtain satisfactory educational results in Oaxaca. The size of its educational system, the amount of resources needed, and very importantly, the need for educational leadership to reform and innovate its educational system has isolated Oaxaca from the rest of the country.

In sum, after giving an overview of Nuevo León and Oaxaca's educational systems it is not possible to give a definite evaluation of a successful educational transfer in Nuevo León and Oaxaca (see Appendix A). However, based on the presentation of the main financial and administrative outcomes in both states, important issues should be taken into account. The impact of the educational decentralization on budget expenditure is still a matter of political and economical conditions. The differences or "preferences" in budget transfers are increasing the gaps between states that generate more financial resources compared with those with less fiscal capacity. Thus, "states with abundant financial and human resources are in better position than those with fewer resources to make maximum use of decentralized power" (Fiske, 1996, p. 25).

Financial outcomes showed the concern of the federal government to foster educational resources, even though there are still dissimilar budget allocation practices, where economic and politic factors determine budget awards. Administratively, the creation of administrative instances during the decentralization process may face some difficulties adjusting to the new changes in the administrative hierarchy. Thus, it is possible to find in Nuevo León and in Oaxaca different administrative outcomes, where Oaxaca has had the most difficult challenges adjusting its educational system.

The leadership of the union's Section also plays different roles. In Sections 21 and 50 of Nuevo León, for example, bargained in peaceful terms with state authorities to attain equal teaching positions for both sections. In contrast, Section 22 of Oaxaca rejected educational decentralization although it bargained with state authorities for top positions at the IEEPO. Besides, the differences between the sections of the federal and state union, both states are against the merging of the federal and state educational systems. Ornelas (1997) argues, "the fusion of both subsystems implies to unify two

⁵⁷ Interview data, ADVOAX03, July 2000.

sections in one, a situation that reduces the number of union positions and the possibility of political promotion within the SNTE, within the political parties, as well as within the public administration” (p. 58). Likewise, the salaries paid to teachers are a problem that Nuevo León and Oaxaca have in common. The states have not had the resources to take on this responsibility and rather than risking political problems with the union, each has maintained the two systems operating simultaneously, in a very similar way than they were before. Nevertheless, this is seen as a time bomb in all the states, since maintaining both systems, now administered by the state government, clearly duplicates structures and expenses.

5. Conclusions of Empirical and Theoretical Analysis of Educational Decentralization

This study has shown that the *ANMEB* took place in Nuevo León and Oaxaca under dissimilar administrative and financial conditions and the impact of educational decentralization in both states determined new roles at the federal and state level, including different ways of managing conflicts in the political arena. Before I introduce the main educational roles of Nuevo León and Oaxaca in the Ministry of Education, I will outline the main arguments of this study. First, educational decentralization in Mexico has strengthened or accentuated the administrative capacity differences at the state level, and second, it has impacted the degree of innovation in the educational system according to the administrative or financial capacity of the states. The degree of improvement or stagnancy in Nuevo León and Oaxaca is determined by social, economic, and political conditions and by the degree of policy decision-making in each state.

5.1. The Post-Decentralization Educational System at Federal and State Levels

Educational decentralization did not significantly alter the functions of the SEP. Overall the functions of the SEP remained in tasks like planning, supporting states with technical and administrative assistance, and evaluating the educational system, the latter in a lesser extent. Administrators in Nuevo León and Oaxaca are currently more committed within their ministries of education and highly motivated to accomplish their own objectives. The challenge for state governors is to foster the role of municipalities

and to stress the need to improve their local educational system. In addition, municipalities should consider the importance of monitoring local schools and attending to teachers' needs.

5.1.1. The New Federal Educational Role

The SEP has been transferring responsibilities successfully to the states. The concern of making clear budget transfers, having reliable databases, and assessing the Mexican educational system are becoming relevant issues for the SEP authorities. The relation between the Ministry of Public Education and the Congress is setting new rules to make the educational decision-making process more transparent and to ensure more effective educational policies. Since the signing of the *ANMEB*, more actors are getting involved in the educational decentralization reform and may contribute to the improvement of the planning, implementation and evaluation of the educational system (Ornelas, 2000).

However, at this moment the federal government faces certain situations that require immediate attention. First, there is still political tension between the central government and state authorities; second, SEP authorities are not attaching enough importance to the growing distance concerning states in terms of monitoring the educational decentralization process; third, the SEP maintains hiding the achievement results of students; and fourth, the standardization of teachers' salaries is still pending.

The tension between the state governors and the national government is growing because state governors were expecting to play more important roles after educational decentralization, and not to be considered as mediators in the reform. Another major complaint is about the compensatory programs, which are still designed and launched by the President. Governors also claim that teachers' salaries should be negotiated in local states and not in the Ministry of Education office in Mexico City. A cause of tension related to budget allocation is because governors who belong to other political parties, other than the PRI claim to suffer budget discriminations when they negotiate with federal officials.

The role of the central government in ensuring and monitoring effective and efficient decentralization is especially critical when the main concern is to enhance the

delivery of education. Federal authorities go to extremes by giving too much autonomy to states to plan their budget, running the risk that poor monitoring may increase inequality and excessive expenditures. The result has led to irrational planning procedures at a state level. The SEP must consider the criteria used for budget allocation by taking into account the financial capacity of the states, their real contributions to education from state resources, and the educational disparities between various regions. The central government should make a bigger effort to monitor the educational system in order to discover and rectify such inequalities.

Even though in theory the federal government is responsible for evaluating the system, little progress has been made: no standard for measuring student achievement has been defined (OCE, 1999). Why does the federal government continue to hide data about Mexican students' achievement?⁵⁸ Evaluation is a highly political process, because the potential of its purposes is to maintain the legitimation of the evaluating authority (Weiler, 1989). It is possible to argue that the federal government is more concerned about the political importance of evaluation as a tool of power than as a mechanism to improve student performances. Another reason to maintain the current evaluation mechanisms has to do with the major disagreement between the union and the federal government. The SEP authorities are under strong pressures from the SNTE, which opposes the evaluation of the teachers' performances. As Burki argues, the power of the teachers' union "makes it difficult to penalize poor-performing teachers even when they can be identified" (Burki, et al., 1999, p. 67).

It is extremely important to set salary standards and delegate teacher salary negotiations to state authorities. If negotiations worsen and if teachers demand equal salaries and social benefits, the risk for political instability will increase in the states, like in Oaxaca, with severe consequences to the educational system. On the other hand, the prevailing conflict context may empower the union by dealing with vague federal and local negotiations and by taking advantage of the shift in salary negotiations; this is changing negotiations from central to local authorities. Difficulties may arise for state

⁵⁸ In 1994, Mexico participated in the Third International Mathematics and Science Study (TIMSS). This study collected data from more than 40 countries and it provided international comparative educational indicators, on achievement, curriculum coverage, and opportunities to learn. However, for unknown reasons, the Mexican government decided not to release its seventh and eight grade results to the public (Beaton, et al., 1996).

governors, who were used to deal with the state union section and now have to negotiate with strange members of the federal section.

5.1.2. The New State Educational Role in Nuevo León

Educational policies in Nuevo León are now a real concern for state authorities, which are willing to invest in and to carry out innovative educational programs. The advantage of The Ministry of Education of Nuevo León is based on its degree of innovation and on the administrative capacity of its staff. Educational authorities have a higher degree of autonomy to carry out reforms without the interference of the central government. Moreover, successful educational policies in Nuevo León have been the result of a combination of several factors. The political and economical stability has allowed Nuevo León to have peaceful negotiations with both sections of the union and to develop effective resource allocation, making a strong impact on policy implementation. Other factors in this success are the importance given by the state government to the evaluation of the educational system, and its greater community participation at the local level.

However, the role of Nuevo León within a decentralized system is to maintain or to increase its educational performance. The impact of educational decentralization, in terms of innovation, on Nuevo León's administrative structure may weaken it. Nuevo León made radical changes within its system in order to attain a higher degree of innovation. According to Havelock and Huberman (1978) the administrative outcomes could be lost if continuous turnovers, particularly from key administrative personnel are made. Likewise, Nuevo León's system may become vulnerable to changes by the presence of new policy-makers, who may find prevailing educational objectives not as relevant as their new proposals. Another risk is attributed to the existence of federal and state administrative structures merged in one state ministry. "When a system merges with another system, all sorts of subsystems are put in disarray and must grope for a new state of equilibrium involving many new elements, some of which will be incompatible" (Havelock & Huberman, 1978, p. 32). Besides, there is no information about the states' concern to with monitoring educational outcomes resulted from the "total quality model"

in the last administration, as well as to identify if administrative innovation permeated into lower levels of the ministry's technical staff.

5.1.3. New State Educational Role in Oaxaca

Even though educational decentralization represents for Oaxaca an opportunity to improve the delivery of services, historical obstacles to developing a viable educational system in Oaxaca still exist: extreme poverty and low fiscal and administrative capacity. These conditions are barriers that do not allow the state to attain equilibrium in its system. According to Havelock and Huberman (1978) the major barriers to innovate a system are: geographic, historical, economic, administrative, and political. These barriers have been explained throughout this study and in my conclusion I will emphasize those that are most important in Oaxaca.

Before the *ANMEB*, the administrative structure of Oaxaca did not develop enough to fulfill educational decentralization objectives. Based on Havelock and Huberman (1978), educational systems like Oaxaca's do not leap forward suddenly implementing reforms. Normally systems with low level of development like Oaxaca tend to innovate from an old and an inadequate system that already existed. This is true in the case of the *Instituto Estatal de Educación Pública de Oaxaca* (IEEPO), which replaced the previous office to handle the requirements of the *ANMEB*. The challenge of the IEEPO to improve its structure is to finish the allowance of co-optist practices among the federal government, the SNTE and the state government within the state bureaucracy.

Oaxaca's weak institutions need coordination at the federal level and a strong state leadership capacity able to achieve effectively administrative, financial, and political goals. Havelock and Huberman (1978) mention, "that systems expand as a result of one kind of leadership" (p. 57). The lack of educational leadership, for example, diminishes the state's capacity to negotiate and to control the union, which seems to have excessive privileges. The impact of teacher conflicts affects the educational system directly. The failure of Oaxaca's educational system may be related to unsuccessful attempts to implement innovations and to its poor administrative capacity. Unfortunately, the problems addressing weaknesses in Oaxaca's administrative structure are not issues that

educational decentralization can tackle, thus the problems affecting the system may get worse or provoke more difficulties in order to attain changes.

5.2. Explanation for Differences between Nuevo León and Oaxaca

The Mexican educational system shows features of high complexity, particularly when educational decentralization has not matured enough to show the tendencies or forces affecting it. Thus, it is difficult to decide whether the *ANMEB* itself has improved the educational system in Nuevo León and Oaxaca. However, this study has demonstrated that the transfer of educational services in these states was implemented under very different administrative conditions. The progress of innovation in these states is not equal, although the commitment to improve administrative functions as well as the delivery of educational services at the state level prevails. In terms of educational innovation, Oaxaca is in greater disadvantage than Nuevo León due to its historical barriers to achieve change. One of the factors that determine the level of innovation is the leadership as a figure of power and authority. “Innovations are generated through a mixture of political and educational motives, where change is accompanied by greater commitment of leaders, power of new ideas, and additional resources” (Fullan & Stiegelbauer, 1991, p. 15).

In sum, the results of educational decentralization have demonstrated that the *ANMEB* has serious basic deficiencies. Educational decentralization has given the opportunity to improve or to innovate state’s educational system only to those states with administrative and financial capacity. The impact of educational decentralization on budget expenditure is a matter of economical and political conditions rather than a matter of educational decentralization itself (Fiske, 1996) and the level of improvement or stagnancy in each state is determined by the economic situation, the size of the educational system, the degree of political conflicts, and the capacity of governors to negotiate. In conclusion, Nuevo León shows that it has the administrative and financial capacities needed to improve and to innovate its educational system. On the other hand, most remarkable differences are shown by Oaxaca, which its level of stagnancy in terms of administrative and financial capacities are widening gaps between both states and establishing the level of development of their educational systems.

6. Areas for Future Research

By taking the administrative, financial, and political outcomes of this study into account, I have identified a number of factors that may be considered in the field of education for future research on decentralization in Mexico. As mentioned before, few authors have analyzed the outcomes and innovations that follow after educational decentralization and also give an overview of the current administrative, financial, and political context. There is a need to go beyond intentions and rationales for decentralizing and to look at the impact of decentralization policies in administrative and financial terms. Few studies address the consequences and challenges of educational decentralization, and even fewer assess the political and financial relations emerging from the shift in power between federal and state levels of government. In addition, it is important to stress the new role that actors play in a decentralized context and to investigate what the new political forces involved after decentralization are.

Even though most of the studies of educational decentralization focus on financial issues, questions regarding the macroeconomic consequences of educational decentralization in Mexico should be taken into account. Excessive central government discretionary transfers or bailouts may endanger the states' macroeconomic stabilities. Thus, it is important to study the mechanisms currently used from the federal government to prevent states from overspending or to look at other steps taken from budget authorities towards fiscal equilibrium among states. A fear acknowledged by Burki et al. (1999) is evident when they mentioned, "that increases in states' expenditures and deficits lead to increases in overall expenditures and deficits. Thus, fast transitions from centralized to decentralized settings tend to lead to a rapid growth of overall public expenditures and macroeconomic instability" (p. 39).

Little is known about the impact of educational decentralization on school quality at the state level. In Mexico, it is difficult to assert if the *ANMEB* itself has raised the quality of basic education. The aim of the *ANMEB*, as part of the educational decentralization reform in its initial strategy, was not only to improve the administration of resources at the state level but also to increase the quality of education. However, it is still difficult to attribute any improvements to decentralization policies, because the educational reform has not reached the classroom level. It is important to mention that to

expect improvement of quality as a result of the educational decentralization process does not imply that quality itself is considered an end for said process. Instead, quality is considered as a means of the decentralization process by looking at educational approaches where decentralization may improve schooling outcomes.

The *ANMEB* focuses on the importance of the School Committees of Social Participation with the intention of strengthening the coordination between the members of the school and their communities. Studies to date do not emphasize to what extent the presence of such Committees foster the degree of participation and school innovation among communities within a decentralized educational system. It may be necessary to investigate why school principals, teachers, parents, and students are not considering School Committees as a way to improve and to assess their schools. Moreover, such studies would permit to know what political or financial obstacles are behind its proper functioning. The Mexican school system has to be evaluated in order to determine its strengths and weaknesses.

It is expected that educational decentralization will improve school performance, however, due to the limitations in knowing the effects of educational decentralization on learning and the difficulties to obtain data from achievement tests, further studies in post decentralization school outcomes may address the need to study the most effective or high-performance schools within the states in Mexico (Burki et al., 1999). International studies have shown that countries reported significant progress in their educational systems, and results have helped them in reviewing their national curriculum as well as their textbooks (Beaton, et al., 1996). The recent attempts of the federal government to improve school quality and to strength the teachers' career program is not providing enough evidence to evaluate the performance of the educational system. Thus, it is necessary to carry out studies related to the impact of educational decentralization on students' achievement scores and teachers' career programs.

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8. Appendix A

Features of The Educational System in the Federal Government, Nuevo León, and Oaxaca

| | Federal Government | Nuevo León | | Oaxaca | |
|---|---|---|---|--|--|
| Administration of Educational Services | <p>The central government transferred to the state administration: labor relations, teachers' payroll, school management, and infrastructure.</p> <p>The Ministry of Education keeps curriculum design, choice of textbooks, and sets the evaluation of the system.</p> <p>Designs and evaluates Teachers' Career System.</p> | <p>Dual model: federal and regional offices pertain to one structure.</p> <p>The state has 51 municipalities.</p> <p>Does not have an updated education law.</p> <p>High degree of innovation.</p> <p>High administrative capacity.</p> <p>Very limited financial responsibilities.</p> | | <p>Did not have to merge because of the lack of a state office. The administration of educational services operates under the same structure.</p> <p>The state has 570 municipalities.</p> <p>Does not have an updated education law.</p> <p>Low degree of innovation.</p> <p>Low administrative capacity.</p> <p>Very limited financial responsibilities.</p> | |
| Political | <p>Still negotiating teachers' salaries with the SNTE's leaders and sometimes with state governors (is changing).</p> | <p>Neither teachers' union sections are unified nor their salary standardization. There is still one federal and local section in both states that oppose to merge in one educational system.</p> | | <p>More stable teachers' union.</p> <p>Active and politicized teachers' union.</p> | |
| | | <p>Bargaining equal teaching positions.</p> | | <p>Bargaining top positions at the IEEPO.</p> | |
| Financial | <p>Fiscal control is strongly centralized and educational budget to the states is decentralized.</p> <p>The Congress settles budget transfers to states.</p> <p>Delivery of compensatory programs for the poorest states.</p> <p>The SEP sets financial incentives to states that invest more in education.</p> | Federal Level | State Level | Federal Level | State Level |
| | | <p>Very high budget transfers.</p> <p>Has preference for financial "incentives."</p> | <p>Schools have little power over resources.</p> <p>High fiscal capacity.</p> | <p>High budget transfers. Strong</p> <p>Presence of compensatory programs.</p> | <p>Schools have little power over resources.</p> <p>Low fiscal capacity.</p> |

Source: Burki, S., Perry J. and Dillinger, W. (1999). *Beyond the Center: Decentralizing the state*. Latin American and Caribbean Studies. Washington D.C.: World Bank. Retrieved at: <http://www.worldbank.org/html/extdr/offrep/lac/pubs/beyondcenter.pdf>; INEGI: <http://www.inegi.gob.mx> and SEP (1999a). *Profile of education in Mexico*. <http://www.sep.gob.mx>