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Education ‘Decentralization’ Processes in Mexico and Nicaragua: legislative versus ministry-led reform strategies

ALEC IAN GERSHBERG

ABSTRACT Much of the development community has advocated decentralization of basic education, and many countries have implemented some form of decentralization policy. This paper explores one important facet of the reform process: the relationship between the creation of official legislation, on the one hand, and the actual implementation of changes in governance, on the other. Most countries have, like Mexico, followed a strategy of legislation first and actual reform second. Nicaragua pursued a very different strategy, implementing significant changes in governance with little legal framework. Each strategy had benefits and pitfalls, but the comparison of the two experiences illustrates that prioritizing the creation of a legislative framework, as most countries have done, is no golden rule. Reforming governments have important lessons to learn from considering the attributes of both strategies to allow enough flexibility to facilitate learning by doing and to minimize wasted administrative effort and political capital, without jeopardizing the reform because of uncertainty and a lack of transparency.

Introduction and Motivation of Study

Over the past decade, the multi-lateral development community has espoused a great deal of support for fiscal and administrative decentralization of the social sectors, and often specifically of primary and secondary schooling (for example, see IDB (1994) and Dillinger (1995)). Nearly every country in Latin America has implemented some form of educational decentralization policy. All of these policies officially involve some level of transfer of fiscal and/or administrative control from central governments to sub-national jurisdictions—regional governments, municipalities, or the schools themselves. Yet the variety of reform policies labelled ‘decentralization’ defies simple categorization and the implementation strategies are equally diverse. While ‘decentralization as a means not an end’ has almost become a mantra among many analysts (see, for example, Rodriguez (1997, pp. 8–9)) we still know too little about how to implement such reforms successfully given the intricate political contexts in which they must occur.

This paper explores one important facet of the decentralization reform process: the relationship between the creation of official legislation to define and support the reform, on...
High legislative involvement. Start with a comprehensive normative and legal framework (e.g. Mexico). The Ministry of Education may play a role, perhaps even a leading role, in the development of policies and legislation, but these must pass through the politicized process of gaining approval from the national legislature.

Emphasizes:
Consistency
Comprehensiveness
Clean sense of final outcomes

Disadvantages:
May maximize opposition
Builds in unforseen problems
Prevents learning by doing
Enforces a one-size-fits-all approach
Subsequent changes may be costly
May emphasize pork-barrel politics (i.e. government funding for projects designed to win votes)

Low legislative involvement. Start with de facto changes (e.g. Nicaragua). The Ministry of Education plays the lead role in the development of policies and implements them without gaining approval from the national legislature.

Emphasizes:
Operational viability
Local responsiveness
Learning by doing
Subsequent changes may be less costly
Putting reform in the hands of education officials

Disadvantages:
Reforms vulnerable to reversal or abandonment
May create confusion or lack of transparency
Scandals/mistakes can doom entire reform

Fig. 1. Initial strategic dichotomy faced in education reform strategies

the one hand, and the actual implementation of changes in the responsibility for financing and administering educational services, on the other. Most countries in Latin America have followed a strategy of legislation first and change second. Mexico and Columbia are prominent examples. Nicaragua, however, pursued a very different strategy, implementing large and important changes in school governance with hardly any legal framework. There are benefits and pitfalls to both of these basic strategies, but the comparison of the Mexican and Nicaraguan cases makes it clear that prioritizing the creation of a legislative framework, as most countries have done, is no golden rule.

Both cases lend insight into the advantages and disadvantages of beginning a reform process with either a strong legal framework or a series of changes via ministry directives without strong legal backing. Any reform process confronts an initial strategic dichotomy: start with a comprehensive normative framework (as Mexico did), or start with de facto changes (as Nicaragua did). This dichotomy is summarized in Fig. 1.

The first strategy will emphasize consistency, comprehensiveness and a clear sense of what the final outcomes should look like. It has the disadvantage that it can maximize opposition, build in unforseen problems, and enforce a one-size-fits-all approach. It may also emphasize ‘pork barrel’ politics (i.e. projects designed to win votes which are funded by government). The second will emphasize operational viability, local responsiveness, and a
sense that doing is the best way of learning. It also has the potential advantage of giving
education administrators, such as the minister of education—rather than governors or other
politicians without specialized knowledge of the education sector—more direct control over
policy development while providing an initial buffer to difficult political battles. However, it
may yield reforms that are vulnerable to being reversed or abandoned, particularly if political
battles are heated and sustained. It may also create confusion or a lack of transparency in the
reform process, and scandals or mistakes may put the entire reform movement in jeopardy.

In sum, all governments learn by doing to some extent and make changes in initial policy
formulations irrespective of the chosen reform strategy. It is impossible simply to design and
implement the perfect set of reform policies given the complex web of powerful institutional
and political interactions in the education sector. But if the government initially concentrates
on formal legislation, each subsequent change is more costly. On the other hand, foregoing
the formal legislation as the first step makes subsequent changes less costly while also
increasing the possibility that natural political ebbs and flows may doom the reform effort.
And, while it is true that these strategic choices potentially exist for all types of education
reform, they are particularly relevant and interesting in the realm of decentralization in Latin
America. This is because most Latin American countries have: (1) pursued some form of
decentralization; and (2) spent particularly long periods of time developing decentralization
legislation, often without effecting any real change at all. The tendency for a legislative-led
reform is strong with decentralization because the financial and political stakes are high for
many actors at several different levels of government.

Educational reform policies such as decentralization often go hand in hand with a call for
increased parental and community involvement (see Dimmock et al., 1996). We, thus,
concentrate on the effect of reform implementation strategies on two important process-
oriented outcomes. First, the actual spread and level of implementation of the intended
reform; that is, to what extent has the chosen strategy impacted on the reforming govern-
ment’s capacity to achieve the intended reforms, as stated in either legislation or internal
ministerial directives? We attempt to remain agnostic regarding whether the reforms have
achieved the ultimate goal of improving educational outcomes; instead we examine the
degree to which the nuts and bolts of the reform have been set in place and taken hold.
Second, we examine how the two different strategies outlined above impact upon the effective
support of citizen and community participation in the education sector.

The next section briefly describes the methodology and the following section briefly
provides a comparative context for the Mexican and Nicaraguan reform environments, which
is then built upon and expanded later. The recent Mexican educational reforms, which could
be characterized as legislation-led, and the recent Nicaraguan educational reforms, which
could be characterized as ministry-led, having eschewed formal legislation, are analyzed. The
final section summarizes the basic arguments and presents conclusions.

Methodology

This study draws from case study work that sought to evaluate more broadly the educational
reform processes in Mexico and Nicaragua from 1992 to 1996 through a series of interviews,
data gathering, and direct observation (Gershberg, 1996a,b). The basic methodology for
both cases follows case study research as developed in Yin (1989) who aptly states that ‘case
studies are the preferred strategy when “how” or “why” questions are being posed, when the
investigator has little control over events, and when the focus is on a contemporary phenom-
emon within some real-life context’. The research plan was guided by the framework for
analyzing ‘decentralizing’ social sector systems developed in Gershberg (1998), which
argues for the disaggregation of the term ‘decentralization’ into more meaningful and operationally useful descriptions of the precise nature of each reform process (see also Lauglo, 1995). We thus attempt to use the word ‘decentralization’ as little as possible, and instead describe more precisely the appropriate transfer, proposed or actual, of responsibility.

Field work was conducted in Mexico and Nicaragua during May to September 1996. Through a series of interviews, data gathering, and direct observation, each case study (Gershberg, 1996b, c) both describes and explains the successes and pitfalls of the reforms. Documentation was gathered to provide data for basic analysis, primarily regarding: (1) programmatic and administrative practices and innovation; and (2) relevant educational and administrative outcomes.

The interviews were chosen to provide the broadest possible level of descriptive detail on the key aspects of the descriptive framework in Gershberg (1998) [1]. Interviews were conducted with current and former key federal/central, state/departmental, and local government officials [2]. These officials primarily serve in the functions of budgeting, personnel management, curriculum and pedagogical design, policy and planning, and evaluation. In addition, interviews were conducted with important stakeholders: mayors, parents, teachers, union officials and school principals for the education cases. The interviews followed the methodology described as ‘interviews as guided conversations’ in Rubin & Rubin (1995) [3].

In general, we attempted to verify information obtained at both the central and sub-national levels to gain a fuller perspective of the dynamic relationship between the different levels of administrative control in each system. The same holds true for information presented by sub-national officials and local stakeholders. This involved an iterative process: gaining information, for example, at the state level in Mexico, returning to federal officials for their perspective, and then returning once again to state-level officials for additional information based on the federal perspective—while also attempting to canvas local stakeholders for added insight.

Comparative Context for Decentralization in Mexico and Nicaragua

While Mexico and Nicaragua are two very different countries—in terms of size, wealth, culture, and historical traditions—they also share enough key characteristics to make the comparison of educational decentralization processes in the two settings both valid and useful. Mexico is a relatively large, middle-income country with a population of nearly 90 million and gross national product (GNP) per capita of US$7040. Nicaragua is a small, low-income country with a population of little more than 4 million and GNP per capita of US$1800 (World Bank, 1996) [4]. Mexico’s violent revolution of 1917 is long behind it, and the country has been ruled, more or less autocratically, for the past six decades by a single party ‘democracy’. Nicaragua’s violent revolution occurred in the early 1980s, after which the country was ruled by a leftist revolutionary government that was itself replaced in a peaceful and democratic transition in 1990 by a right of centre coalition government.

For Mexico, the education system has been part of what many analysts have called the ‘corporatist state’ (see, for example, Arnone & Torres (1995) and Ornelas (1995)). That is, the state has effectively coopted most of the powerful social and political factions in the country to work, either directly or indirectly, towards supporting the state itself. The Mexican national teachers’ union, discussed in detail below, is a poignant example: its ties with the ruling party have always been strong. The 1917 revolution itself wrought a highly centralized system of educational administration, for the national leaders believed that education was not simply a public good but an integral part of becoming one nation (Trejo, 1992). This in turn fostered a huge, national teachers’ union and a massive central bureaucracy that by nearly any
account grew out of control for decades. Thus, education ‘decentralization’ in Mexico was in part a means to redress serious efficiency problems (Gershberg, 1996a), but it was also a means for the central government to push problems away from the centre and down to the states.

Nicaragua’s more recent social revolution played out in a significant way through its education system. The literacy campaign of the 1980s is well documented (e.g. see Arnove (1994)) and it was devised as a means to pull the country together through a system of voluntarism and education. Interestingly, this strategy required, like the Mexican system over six decades before it, highly centralized bureaucratic control. As Arnove & Torres (1995) assert:

In contrast to Mexico, Nicaragua, during the period of Sandinista rule, 1979–1990, represents the case of a revolutionary society attempting to use education as a principal means of effecting radical social change and overcoming the historic traits of a “conditioned state”. (p. 318)

With the change of government in 1990, ‘decentralization’ arose as a goal of the new, in essence, counter-revolutionary, regime: education ‘decentralization’ was, thus, a highly politicized and ideological component of the new conservative administration, but the attempt to ‘use education as a principal means of effecting radical social change’ was still a characteristic of the government strategy in Nicaragua in a way that it was not in Mexico.

Both Mexico and Nicaragua could be categorized as lurching towards democracy, but the regimes that undertook the reforms discussed in this study had very different bases of legitimacy. The election of President Carlos Salinas de Gortari in 1988 was widely suspected to be fraudulent. Ornelas (1995, p. 304) asserts that the Mexican government was ambivalent over decentralization and that its true pursuit was to ‘legitimate the government and, simultaneously, to maintain the control and efficiency of the system’ [5]. Although several conditions certainly stacked the political deck against the Nicaraguan revolutionary regime of the 1980s (e.g. external economic and military pressures supported by the USA), the 1990 elections gave the new administration a more legitimate mandate to govern (see Walker (1997)).

But the two countries and their education reform strategies share some important foundations. First, neither ‘decentralization’ arose out of a grassroots movement creating pressure from below for more local control. Thus, both ‘decentralization’ reforms were planned and implemented centrally by governments that had the capacity to control at least some of the initial conditions under which the reforms were set in motion. Yet both governments were also, in part, responding to external pressures. International development agencies (in particular the World Bank and US AID) have supported decentralization as an educational reform. Decentralization, in turn, constitutes part of a larger reform strategy often labelled ‘neoliberalism’. Walker (1997, p. 16) summarized this concept nicely:

In principle, neoliberals advocate certain basic changes: 1) downsizing of government and the balancing of budgets; 2) privatization of state-owned enterprises; 3) deregulation of private enterprise; and 4) sharp reduction in or elimination of tariff barriers to foreign trade.

Both Mexico and Nicaragua have pursued the neoliberal strategy to some extent since 1990, and both have done so at least in part as a result of international pressures. However, as evidenced below, the Nicaraguan education reforms reflect more closely the precepts of neoliberalism than Mexico’s [6].

Perhaps this strong ideological orientation and the desire to effect significant social change both led the Nicaraguan Ministry of Education to pursue a reform strategy that
departed from previous examples in Latin America and inspired the central government to give the ministry the freedom to do so. Nicaragua did not involve the national legislature in its decentralization—placing the reform cart before the legislative horse, so to speak—while Mexico did. The comparison of these two settings, reform scenarios, and initial results thus provides insight into how other less-developed countries might pursue similar reforms.

**Description and Basic Analysis of the Mexican Reform Process**

**Legislating Decentralization**

The Mexican system of primary and secondary education underwent two major reforms from 1978 to 1997 that it labelled ‘decentralization’. The first, 1978–1992, involved the deconcentration of the federal government’s Public Education Secretariat (SEP, or the ministry). Federal delegations (delegaciones) were established in each state in an effort to move the locus of the federal educational administration out of the federal district (DF) and closer to the populations served. The most recent major reform, explored in this study, began in 1992 and officially transferred responsibility for direct service provision from the federal government to the states.

During the 1980s, the federal government continued to dominate the financing of the sector through a budgeting process requiring each of the delegations to compete for a national pool of resources allocated annually by the federal government through the ministry. Most of the approximately 1,000,000 primary and secondary teachers remained federal employees.

Since the 1930s, states could establish their own education systems financed through their own-source revenues. These systems remained virtually independent, with their own teachers and administrators (both state employees) and their own infrastructure. The degree to which states chose to do so varied widely, with some states, like Nuevo Leon, actually spending more of their own resources on their state system than the federal government spent on the federal system in their state. On the other hand, some states, such as Hidalgo, relied almost entirely on the federal government’s system of primary and secondary schools. At the time of the reform, the three states visited for this study had developed very different mixes of state and federal school systems (see Table I).

In 1992, the ministry took what it hoped would be the next big step towards decentralizing the education sector. The National Agreement for Basic Education Modernization (ANAM), signed by the governors of all 31 states, legally transferred the previously federal system (teachers, administrative personnel, and infrastructure) to the states, which had to establish their own state secretariats of education, if they had not already done so [7]. The 1993 General Education Law (LGE) solidified the 1992 ANAM, and gave it more legal muscle [8].

The combination of agreements signed between the federal government and each state and the passage by the national legislature of a new LGE made it very unlikely that the

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**Table I.** Primary and secondary education finances. State expenditure as a percentage of total (state + federal) expenditure (1991)

<table>
<thead>
<tr>
<th>State</th>
<th>Expenditure as a Percentage of Total (State + Federal) Expenditure</th>
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<tbody>
<tr>
<td>Hidalgo</td>
<td>3.7</td>
</tr>
<tr>
<td>Guanajuato</td>
<td>32.7</td>
</tr>
<tr>
<td>Zacatecas</td>
<td>23.0</td>
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*Source: Author’s calculations from SEP (1992).*
transfer of administrative control to the states could be reversed quickly by a subsequent secretary or presidential administration. This is quite significant when one considers that in one 14 month period (December 1993 to January 1995) there were five changes of education minister at the federal level. Each of the five interpreted decentralization differently. While this hampered the federal government’s attempts to coordinate and control decentralized programmes and proved confusing for states, the firm foundation of the decentralization legislation provided some level of stability and prevented the heart of the reform from being discarded.

Up to 1992, the transfer of administrative responsibilities to the states faced two main obstacles: (1) governors’ fears of receiving responsibility for which they were not prepared; and (2) the national teachers’ union (Sindicato Nacional de Trabajadores Educativos, or SNTE), which, as the largest union in Latin America, had amassed enormous and centralized power. The 1992 ANAM overcame the first of these two obstacles. Remarkably, the negotiating process for the ANAM took only about 3 months with the governors, although negotiations with the SNTE essentially started in the late 1980s. While transferring administrative control to the states was the heart of the intent of the reform, the text of the decentralization legislation clearly established transferring some financial responsibilities as a goal as well.

The Revenue Side of Education Finance

On the revenue side, financing remained largely federal (nearly 80% nationally) even after 1993, with the ministry using a system of yearly negotiated, non-transparent transfers essentially similar to those used pre-1992. This occurred despite the fact that a goal of the reform was to increase state own-source contributions in education. States did not gain significant control over either how these transfers were determined or how to spend them. That is, the sources of funding did not exhibit any decentralization and the authority over the use of funds exhibited little more. Despite the fact that the 1992 ANAM was called a ‘decentralization’, some traditional measures of decentralization did not rise in the 4 years following the legislation. For instance, in Zacatecas, the state share of financing the sector actually fell after 1992 (see Table II).

In Guanajuato, Table III shows little change in the percentage of state own-source expenditures on basic education [9]. The same pattern held true for Hidalgo, which continued to rely almost exclusively on the federal government to finance education [10]. At least in the early years of the reform, thus, the goals of the legislation regarding revenues were not realized.

| TABLE II. Primary and secondary education finances, Zacatecas State. State expenditure as a percentage of total (state + federal) expenditure (1990–1995) |
|---|---|---|---|---|---|---|
| 21 | 23 | 20 | 19 | 16 | 17 |

Source: Data provided by SEC, Zacatecas.
TABLE III. Primary and secondary education finances, Guanajuato State. State expenditure as a percentage of total (state + federal) expenditure (1993–1996)

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<tr>
<td></td>
<td>33.5</td>
<td>31.5</td>
<td>31.3</td>
<td>31.3</td>
</tr>
</tbody>
</table>

Source: Data provided by SEP representative in Guanajuato.

The Expenditure Side of Education Finance

On the expenditure side, there was some of the intended transfer of responsibility to states, but much less than at first appeared. The official line was that expenditure responsibilities had been decentralized to the states. And, it is true that the states received their federal transfers, made their own contributions to the basic education budget, and then disbursed expenditures. However, in reality states controlled only a very small portion of the basic expenditures. Teacher salaries constituted over 90% of expenditures in the sector, and teacher salaries continued to be negotiated in Mexico City, between the teachers’ union and the ministry, with some involvement by the President himself. States were then left to execute budgets 90% of which were largely out of their control. Thus, expenditure decentralization gave states some power only over that portion of the budget that was not salaries.

In fact, an interesting point can be made here regarding re-centralization. Before the 1992 ANAM, the state systems were totally separate from the federal systems. The extent to which states were then free to negotiate salaries with their own teachers was lost after 1992. The ANAM specifically dictated the equalization of salaries and benefits of teachers in the two formerly separate systems. Salaries for the entire system (both the formerly federal and state systems) were negotiated in the centre, a fact that affected, if not totally negated, the new state power over the non-wage portion of expenditures. This could hardly have been an intent of the original legislation.

Budgeting Processes and Intergovernmental Transfers in Education Finance

In addition, the federal budgeting process itself did not change significantly. The federal allocations to states would still be described as annually negotiated, discretionary transfers. Interviews revealed that ministry officials had hoped to implement a matching mechanism in the transfers, but faced opposition from the governors of poor states. In the years since, they have tried, through a clandestine budgeting practice, to reward states for spending own-source revenues on education, but the process was as non-transparent as the rest of the budgeting process.

In the process of negotiating the 1992 ANAM, the ministry missed an opportunity to implement more transparent, formula-based fiscal transfer mechanisms with a clear matching component. More transparency would have been likely to have boosted the morale of state administrators and improved accountability if the transfer mechanisms had been, for instance, connected to evaluation or contained a matching component. These formulae need not have been implemented immediately through the decentralization legislation because doing so would have made winning approval politically difficult. However, the ministry could have released specific proposals and goals for such formulae and started working immediately with state-level officials to reach consensus. Another option would have been for the ministry
to have picked a few states with which to work to develop matching components. The ministry could then have held these states up as examples of the kind of new intergovernmental fiscal relations it sought to foster and used the experience to enact a matching grant formula which was politically palatable to the states.

The National Teachers’ Union (SNTE)

It is impossible to discuss the Mexican education decentralization without a frank exploration of the role of the national teachers’ union. The SNTE is itself a highly centralized and very powerful political actor in Mexico. Its 1 million plus members make it the largest union in Latin America and it had been highly resistant to decentralization for fear of losing some of its immense political power. When the 1992 ANAM was signed, SEP officials expressed confidence that some of the SNTE’s power would be decentralized to state sections of the union and, thus, diminished. Ornelas (1998, pp. 281–282) notes:

When examining the situation prior to the Agreement, it is noted that there were no union or political demands for the decentralization of the education system; neither were there vigorous social movements in favour of decentralization nor does the evidence indicate that the state governments wanted to take control of the public education system. This leads one to believe that the government had another important expectation, which was not revealed in its explicit agenda: which has to do with conflict resolution and the corporate pact between the SNTE and the Federal Government. (Author’s translation)

This did not happen, or certainly not from a state-level perspective. The SNTE won the guarantee of signing a separate SNTE–state agreement with each governor that essentially safeguarded the union’s power [11]. Even after 1992, governors often found out about salary increases for their own teachers the day before such increases were announced by the SEP.

If genuine decentralization is to be achieved there is a real need to give the states an official voice and vote in the salary negotiating process. States should have had the power to negotiate salary increases with state-level unions. Short of this, however, the federal government could have established a national body comprised of representatives from all the states, a council with the ability to give voice to the states in salary negotiation. Ideally, this council could have had some power to approve contracts [12].

State-level officials consistently expressed frustration at the failure of the post-1992 reforms to alter union relationships substantially. This was by far their biggest complaint. How, they would ask, can we say we have decentralized the education system when we have altered the union’s organization hardly at all? State officials felt that labour relations had never been fully clarified by SEP, either during the negotiations for the 1992 ANAM or since. This lack of clarity led to grave conflicts between all key actors in the process: governors and state education officials versus national and local SNTE chapters; SEP versus governors and state education officials; former state teachers versus former federal teachers; teachers versus education authorities; and teachers versus the communities they served. The lack of clarity also augmented a tendency for ‘passing the buck’. States often blamed the federal government for problems, while the federal government hid behind the veil of decentralization and claimed that the states had simply not accepted their new responsibilities. In many respects the new arrangement created even more complex labour–management relations. Ornelas (1998, p. 310) provides a poignant example:

In Chihuahua, educational administration after the federalization brought about two parallel administrative structures (Ministries A and B). And, within each, there
are two parallel structures, one that corresponds to the government and another that represents the interests of the union sections. This parallelism is the source of conflicts, which combine party politics and pressure from the centre. (Author’s translation)

Again, the intent of the legislation proved difficult to realize.

**Learning By Doing in the Mexican Context**

However, even the highly legislated reform process in Mexico left room for learning by doing, and we found evidence of this at the state level in several instances. Indeed, we found evidence that increasing the freedom with which state and local actors operate, even slightly, can lead to innovative sub-national reforms improving efficiency. But often this learning was cumbersome, costly, or (at worst) counter-productive. In Hidalgo, for instance, the state developed an innovative pre-school programme made possible by the change in education legislation. This programme violated federal norms because it taught pre-school children to read and write. The state Secretary of Education scrutinized legal codes and found a loophole that allowed the programme to continue after a significant fight with the central ministry. So, the Mexican reform model does not by any means eliminate innovation, but it does seem to make it more difficult.

**Citizen Participation in the Mexican Reform Process**

To increase broad-based participation in education, the ANAM established the school-level Social Participation Council (Comité de Participación Social, or CPS) and Municipal Education Councils (Comité de Educación Municipal, or CEM). The ANAM called for a CPS at every primary and secondary school and a CEM in every municipality. These councils were designed to be more broad based than the previously well-established Parent Associations (Asociación de Padres de Familia, or APF) because they were to include many different stakeholders, such as teachers, administrators, local politicians, and members of the business and religious communities. Unfortunately, the councils were not functioning as intended even 4 years after the reform made them mandatory.

Another problem with the legislation for social participation was the proliferation of participatory councils. After 1992, there were at least 10 potential formal mechanisms for social participation at each school [13]. Obviously all could not possibly function at each school, but some schools we visited had as many as five committees attempting to function simultaneously. This phenomenon, called comitismo in Mexico, saturated school stakeholders with organized participatory entities. In this context, the CPS, which is relegated to an advisory role in the shadow of the APF, stood little chance of functioning widely. Nevertheless, by 1996 the State of Hidalgo had formally constituted 4270 CPSs in order to comply with the law. Finding even a few that worked, let alone any that worked according to regulations, proved difficult. The social, economic, and political costs of this policy were obviously very high. The decentralization legislation thus paid lip service to citizen participation, but it was written in a void detached from social reality.

Thus, it would seem that, in Mexico, writing participation into the decentralization legislation does very little unless it goes hand in hand with both a federal and state government willingness to give the participatory councils more than advisory power over school personnel, budgets, and local curricula, and efforts to build on previously existing social participation, especially APFs. Both were missing in the Mexico reforms. Learning by
doing is particularly important with respect to citizen participation. The Mexican case, and the Nicaraguan case explored in the next section, provide some evidence for the idea (suggested in Dimmock et al. (1996)) that reform legislation should both allow stakeholders to buy into the process and build in enough flexibility to allow the participatory mechanisms to fit in well with the particular social relations at the specific school or municipality.

Thus, we argue that if social participation forms part of the decentralization legislation, it must take account of, and refer to, all mechanisms for social participation either already in place or previously legislated for. The legislation must clearly articulate the role of the new participatory mechanisms in relation to and in combination with others. It must provide a set of flexible guidelines, applicable in diverse communities in which some or many forms of social participation already exist. It should not replace previous participatory councils or groups, but provide guidelines for lessening the demands on stakeholders through linking and synthesizing new forms and old. Planning specifically for learning by doing in the social participation process is absolutely necessary. In the Mexican case, having the legislative-led reform did not serve these aims well. In order to pass legislation at the national level, the central ministry was forced to negotiate terms for participatory entities that: firstly, did not take account of differences across regions (the one-size-fits-all pitfall); secondly, did not formally take account of existing participatory mechanisms; thirdly did not formally allow flexibility to change the form of participation based on initial experiences; and fourthly, laid out these terms in a legal format that would prove politically difficult to alter.

Description and Basic Analysis of Nicaraguan Reform Process

Under the Frente Sandista de Liberación Nacional (Sandinista National Liberation Front, or Sandinista or FSLN) regime, the Nicaraguan system of basic education was highly centralized, although during and after the civil war, the tradition of local payments by parents to support secondary schools was solidified (Arnove, 1994, p. 109). After the 1990 elections brought Violetta Chamorro and the Unión Nacional Opositora (National Opposition Union, or UNO) to power, followed by the Liberal party of Arnoldo Alemán in November 1996, there were two distinct policy efforts to transfer more responsibility and decision-making to the sub-national and school level.

The major post-1990 policy reform associated with decentralization by the Ministry of Education was the Autonomus Schools Program (ASP), which was essentially an adaptation of school-based management that combined school site councils with a system of school/user fees paid by parents. The second policy reform labelled as decentralization by the Ministry of Education was La Municipalización de la Educación (the municipalization of education, or ‘municipalization’), a programme through which municipalities received fiscal transfers to administer school payrolls and other limited powers. Post-1992 education reforms in Nicaragua also functioned in conjunction with an effort to establish municipal-level education councils intended further to involve municipal and other local stakeholders. Each of these reforms, but particularly the ASP, fitted squarely into the ideological framework of neoliberalism and each was paired with efforts to bring conservative and Catholic religious values into the school system [14].

ASP

Basic description of the programme. The ASP grew impressively rapidly after its inception in 1993. According to King et al. (1996), about 100 secondary schools and over 200 single primary schools had entered the programme in 3 years. There were approximately 250 second-
ary schools and 4288 primary and pre-schools nationally. Primary schools became eligible for autonomy only in 1995. In terms of scope, approximately 8000 of the 32,000 primary and secondary public school teachers in the country taught in autonomous schools by the end of 1996. The basic components of school autonomy involved:

- A monthly fiscal transfer to the school principal to pay for teacher salaries, benefits, and basic maintenance. Teachers received their salary in cash rather than cheques.
- The formation of a Consejo Directivo (Directive School Council), a school site council charged with powers over budget; personnel; and (officially) some curricular decisions and evaluation and planning functions.
- The implementation of supposedly mandatory school fees for secondary school students and supposedly voluntary school fees for primary students. The fees could be for monthly attendance and/or examinations; registration forms; services such as diploma processing; library use; and other services (such as use of a computer laboratory). These fees were used to augment teacher salaries or to perform other operations as deemed necessary.

Nicaragua thus set in motion one of the most radical educational decentralization experiments in the Americas, on a par with Chile or the city of Chicago regarding how much responsibility was transferred to the local level (King et al., 1996). The ASP implemented a system of school-based management that relied on local school councils that gave a voting majority to parents and allocated resources that derived from fees charged to parents. Nowhere in Latin America had parents officially been given so much responsibility, and nowhere had they been asked to provide directly such a large proportion of school resources.

Decentralizing without legislation. Although it represented a fundamental change in the way that a significant portion of the national system of education was governed, the ASP was not established in national law. Unlike the Mexican reform, the ASP had not been ratified by national legislature or approved by other elected officials, but rather was governed for several years by a series of ministry internal directives, many of which were not in the public domain. The ministry officials proudly proclaimed that the reform process was one of ‘hechos no de derechos’ (accomplishments, not laws). This provides an interesting alternative to the process in Mexico where the decentralization legislation was well-established as a pre-requisite to reform. The Nicaraguan government, and the ministry more specifically, learned a great deal from the early experiences of the ASP—and this knowledge will undoubtedly impact positively on the legal framework. That is, if the legal framework is ever developed.

The danger with this strategy is, of course, that the reform is more easily reversible until it is firmly and legally established. In Mexico, the 1992 decentralization reform was established first with individual agreements between each state governor and the Ministry of Education—then shortly followed by a new national education law—making the reform, for better or for worse, very difficult to turn back on. It may provide the foundation upon which 10–20 years of future reforms may be built. In Nicaragua the results of the 1996 presidential election probably assured the programme’s short-run survival but a different outcome might have spelled its end. The Minister of Education was the only minister from the Chamorro government to be re-appointed by President Alemán. This rare move indicated the perception held by the new government that the ASP was a successful programme, since the ASP was clearly the most prominent educational reform fostered under the previous regime. However, at the end of the Chamorro administration, uncertainty both imperilled the programme’s stability and put many participants (actual and potential) in a ‘wait and see’ mode [15]. Yet another pitfall with this process has been considerable confusion (or even
purposeful manipulation) on the part of government officials and other participants over the precise rules governing the ASP, as discussed below.

School-based management and fees in autonomous schools. After being ceded autonomy, a school is governed by the principal along with the school site council, which always has a voting majority of parents. Consejos Directivos have an array of functions that include approving internal school rules and physical renovation; informing the community of its decisions; and elaborating and approving school operating plans, budgets and voluntary monetary contributions. The Consejos Directivos have extensive human resource powers, including hiring or dismissing any school staff, including the principal.

By far the most contentious and controversial component of the ASP was the imposition upon parents of charges to be used, at least in part, to augment teacher salaries. These charges provided, firstly, the only incentive strong enough to win the support of enough teachers to make the ASP process tractable. Secondly, they provided critical additional resources to the sector that were unlikely to come from the ministry, which could only be described as remarkably cash poor.

Scarce educational resources notwithstanding, the fee policies raised some serious questions regarding the equity of the ASP and provided the source of the staunchest social and political opposition. Central ministry officials were fond of trying to play down the size of the fees with the analogy that the C$10 per month attendance fee was only the price of two beers [16]. But, for a poor family, the monthly payments, if fully collected, could hardly be called inconsequential: a family with six children in school would have had to pay C$60 per month in attendance fees and perhaps another C$40–60 per month in materials, examination, and other related fees. C$120 per month could easily be 50% of the family’s household income. Naturally, the result is that they do not pay some or all of the fees or they discourage their children from attending. Gershberg (1996b) argues that the fee system is a key element for the reform to take hold. If this is true, the ministry must effect policies that ensure their collection while safeguarding equity. The flexibility gained from pursuing the reform through ministerial directives allowed the ministry to alter the fee system quickly in reaction to problems and opposing pressures as they occurred.

We say little about teachers’ unions in Nicaragua. However, we note the following: at least four different teachers’ unions vie among each other for power. The union with the largest membership—The National Association of Nicaraguan Educators (La Asociación Nacional de Educadores de Nicaragua, or ANDEN)—is strongly associated with the Sandinistas, and, thus, has suffered a loss of prestige under the past two administrations. While they were staunchly opposed to the ASP and in fact launched publicity campaigns against it, ANDEN has not proven strong enough to block it [17]. The fighting between unions may have allowed the ASP to succeed. In addition, the Chamorro administration played a role in dividing the teachers and weakening the relatively autonomous power of their union. An implication that emerges is that weakened union power simplifies the fight to implement controversial decentralization reforms. This is a key difference between Mexico and Nicaragua: in Mexico, the SNTE has traditionally served the ruling party (even though the SNTE opposed vigorous decentralization), while in Nicaragua, ANDEN has fought the government openly since 1990. One could argue, however, that these facts provide even more reason for the Mexican government to have considered a non-legislative solution: the SNTE’s influence in national politics made it nearly impossible to effect real change through an open debate in the national legislature.

In primary school, the fees were, by constitutional law, voluntary. However, instances of teachers refusing to administer examinations to non-paying primary school students were not
rare, and even cases of teachers or principals refusing to admit students occurred. In these situations, the Ministry of Education delegates and the mayors played a key role in conflict resolution by ‘reminding’ school staff that the fees were voluntary. But even if they were often successful in supporting the students, it is hard to escape the class-based social environment created within institutions that are supposed to play an equalizing role. The ministry could have mitigated this situation by firming up guidelines and by using what they had learned in the early stages of the reform to incorporate these guidelines into law.

Schools exhibited a broad range of fee collection strategies. In relation to the size of the monthly transfer received from the ministry, total fee collection ranged from 0% to as much as 161%. In other words, some schools derived nothing from fees while others used them to more than double their available resources. Fee policy was set by the school councils, obviously based only loosely upon ministry guidelines. One could argue that less variation will occur if and when the guidelines become law. Councils allocated fee revenue according to the priorities they established [18].

Citizen participation and the ASP. In sum, it is clear that the level of real citizen participation in the ASP is significant. School site committees are given real powers and parents have a voting majority. The committees were constituted and functioning at every school we visited, and King et al. (1996) presents preliminary results indicating that school governance has improved and that most stakeholders are supportive of the reform. We noted that the committees made important decisions, in several instances voting to replace the school principal and deciding how to allocate revenues from fees. This provides some support for the hypothesis (developed, for instance, by Esman & Uphoff (1984)) that participatory groups perform better when given more than advisory status and responsibility over raising and managing funds.

In addition, it is clear that the reform strategy followed by the ministry played a helpful role in fostering effective school councils. The rules governing the councils changed their form several times (for instance, they changed size to allow smaller councils) and the methods for selecting council members have also been re-worked in the light of early experiences. Finally, the ministry was able to choose a few schools likely to succeed early on and then hold them up as examples to the rest of the country. Thus, the Nicaraguan reform strategy clearly created a space for ‘learning by doing’ that supported the swift spread of the ASP.

The Municipalization Programme

Many countries (e.g. Brazil and Chile) have implemented policies that transfer some school administration responsibilities to municipalities. Nicaragua, through the municipalization programme, is no exception. Although not nearly as fully implemented as the ASP, the programme’s role in the Nicaraguan reform process was very interesting. At the same time that the ministry first started developing and promoting the ASP as one form of decentralization, it formulated and began to implement a municipalization process that transferred certain limited powers to the municipalities which had been chosen to participate. Early publicity from the ministry cited both programmes equally as efforts to ‘decentralize’.

While the ASP grew rapidly, despite lacking a legislative base, municipalization—which was started at the same time as the ASP, also by ministerial directives—had been all but abandoned as a national reform by 1996. Fewer than 10% of the nation’s municipalities had entered the programme in the 4 years since its inception. Since this seems to have occurred because of a policy decision within the ministry to prioritize the ASP, it can certainly be counted as beneficial that the municipalization programme was not based on legislation. Such
a process would have resulted in a large waste of administrative effort as well as a large expenditure of political capital, similar to the process in Mexico of officially constituting school councils across the country that do not function.

One interesting lesson learned is that a central ministry can indeed set up two reforms, one more controversial than the other, as a way to hedge its administrative investments. In fact, as originally constituted, the two programmes were essentially contradictory. Schools that become autonomous in the few municipalities that had entered the municipalization programme were no longer subject to the authority of the municipality. But when the two programmes were initially developed, it was not clear which one would win out. In the future, if the ministry decides to return to the municipalization programme, it can reformulate the programme relatively easily to support the ASP explicitly. This would not have been the case had the municipalization programme been fully legally constituted.

Conclusions

The point of this analysis is not to conclude that governments implementing decentralization reforms should choose between legislative-led and ministry-led strategies. Nor is it to assert that Mexico should have followed the Nicaraguan model or vice versa. The differences inherent in, for instance, country size and union power, would indeed have made the Nicaraguan model difficult if not impossible for Mexico to follow precisely. We argue, however, that the dominant reform model has been the Mexican one of establishing a firm legal and legislative foundation first, and implementing reforms afterward. This model has benefits and pitfalls, and we argue that the Nicaraguan strategy provides an example of how to mitigate some of these pitfalls. In fact, the Nicaraguan reform model deserves a great deal of attention from both other governments considering decentralization policies, and scholars seeking to understand them. King et al. (1996) assert that the Nicaraguan ASP is as radical a reform model as we have seen in the Americas, fostering as much citizen participation and passing as much power, if not more, on to parents and other local actors. Yet, the Nicaraguan reform has not received nearly as much attention as the reforms in the city of Chicago or EDUCO in El Salvador. We concur with the assertion of King et al. (1996) and would add that the strategy of the reform is also a radical departure from the norm. Additional research of the Nicaraguan strategy would provide pragmatic guidelines for future reform.

Nevertheless, non-legislative reforms create different pitfalls. Nicaragua’s education reform, primarily the ASP, was remarkably fast, but the lack of a legislative foundation at times threatened the entire process and exposed it to being abandoned: a significant degree of luck underpinned its success. On the other hand, Mexico’s education reform was slow, but relatively safe from being abandoned. However, it hardly fostered any citizen participation at all and it is debatable if the key goals of the reform will be achieved (Gershberg, 1996a). While the above comparison with Nicaragua is instructive, a more comprehensive exploration of the legislative reform strategy in Mexico, including comparative work examining several other countries that have followed similar strategies, is needed if we wish to confirm the results presented in this study.

We argue that both Mexico and Nicaragua have important lessons to learn from considering the attributes of the alternative strategy. In fact, the right recipe for reform in most countries is likely to be a combination of both strategies, even if one or the other dominates [19]. Governments considering decentralization reforms would do well to make sure that they work to allow enough flexibility to facilitate learning by doing and minimize wasted administrative effort and political capital, on the one hand, without, on the other hand, jeopardizing the entire reform because of uncertainty and a lack of transparency.
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NOTES

[1] An appendix with greater detail on the framework is available upon request from the author. It provides additional insight into the methodology and presents a much broader picture of the entire reform processes in Mexico and Nicaragua.

[2] Mexico is a federal country with 31 states and one federal district. Within the states, there are over 2500 municipalities. In-depth case work was conducted in three states: Hidalgo, Guanajuato, and Zacatecas. Gershberg (1996a) provides detailed justification for state selection and additional insight on the country-specific methodology. Nicaragua has 17 regional governmental units called departments. These are weak forms of government in that they have hardly any own-source revenues, no elected head, such as a governor, and are essentially regional administrative extensions of the central government. Within the 17 departments, there are 143 municipalities which have more autonomy: municipal presidents are elected and a significant number are from opposition parties including Sandinistas. The Ministry of Education appoints a departmental Director of Education in each department and a municipal delegate in each municipality. In-depth work was conducted in three departments—Managua, Leon, and Matagalpa—and 13 municipalities. Gershberg (1996b) provides detailed justification for department and municipality selection and additional insight on the country-specific methodology.

[3] A complete list of interviews is available from the author. In general, care has been taken not to identify individuals providing specific information. In Mexico, 138 interviews were performed, including, but not limited to, 22 central government officials, 47 state government officials, six current and former state secretaries of education, 19 principals, 19 teachers, 15 parents, and three union officials. In Nicaragua, 155 interviews were conducted, including, but not limited to, 14 central government officials, six union officials, 13 mayors, 13 municipal-level central ministry delegates, 31 principals, 23 parents, and 49 teachers. In addition, nine school council meetings and four municipal council meetings were attended, with an average of eight council members at each meeting.


[6] See also Arnove & Torres (1995, pp. 315–16) for an explication of (1) how ‘[d]espite their contrasting orientations, these two countries share many characteristics typical of dependent capitalist states in Latin America’; and (2) the implications that dependent capitalism has for education.

[7] Basic education refers to pre-school, primary, and secondary school levels. The ANAM also included initial, indigenous and normal schooling. Only teachers and administrators in the National Council for Educational Development (CONAFE, the federal compensatory programme targeting isolated communities) and the federal district remained officially employed by the federal government.

[8] We will refer to the 1992 ANAM and the 1993 LGE together as ‘the decentralization legislation’.

[9] Note that these figures should not be compared directly with those in Table I because the source is different. However, they are clearly of a very similar magnitude as the 32.7% for Guanajuato in Table I.

[10] One very interesting lesson learned is that one standard measure of decentralization, the proportion of resources raised and/or contributed by sub-national governments, need not change much during a period of ‘decentralization’. In fact, such measures may reveal re-centralization of certain aspects of sources of funds. Given that Gershberg (1998) and Lajugio (1995) call for disaggregating the different aspects of accountability and the fact that the principle of subsidiarity would seem to suggest a strong central authority
over education revenues, this point should not be too surprising. However, many analysts (see, for instance, Reid & Winkler (1991)) use the proportion of sub-national finance as the driving measure of decentralization.

[11] One official explained how the ruling party, known as the PRI, calculated that the SNTE delivered approximately 4 million votes nationally. As long as the PRI holds power and thinks it needs those 4 million votes to keep its legitimacy, the SNTE is likely to have the power to keep contract negotiations and other significant aspects of the system centralized. In Guanajuato they failed in their negotiation to have an official role in the selection of the state Secretary of Education, but the fact that they could even try is significant. The SNTE clearly holds great sway over some governors.

[12] It may also be time for Mexico to develop a governmental agency like the Advisory Council for Intergovernmental Relations (ACIR) in the USA, an independent agency with highly qualified analytic staff whose sole aim is to explore intergovernmental issues and help sub-national governments learn by doing. State officials are clearly sharing information among themselves through informal networks, and the myth has clearly fallen that the federal government knows what is best. An agency like ACIR would formalize and support such interstate learning and help define issues that, under the best of circumstances, should have been written into the legislation.

[13] In addition to the CPS, CMPS, and APF, there are committees or councils for: the Programa de la Calidad Educativa (Program for Educational Quality); the Comité Escolar de Salud (The School Health Committee); the Comité de SOLIDARIDAD (the Solidarity Committee); the Consejo Técnico (The Technical Council), a council of teachers; the Comité de Desayuno Escolar (The School Breakfast Committee); the Comité de Parcela Escolar (the School Land Parcel Committee), a council of teachers, parents, and students charged with tilling an ejido for a rural school; and the Tienda or Cooperativa Escolar (the School Store or Cooperative).


[15] A new minister could have discarded the ASP with a wave of his/her pen. The number of schools entering autonomy ground to a near halt in the last 6 months of the Chamorro government.

[16] The Nicaraguan currency is the cordoba, C$. The approximate 1996 exchange rate was C$8.35 = US$1. Monthly GNP per capita was US$29 (World Bank, 1996) or C$240.

[17] For instance, ANDEN led an early campaign to discredit the ASP by labelling it as ‘privatization’. While the fee system raises serious concerns about equity, as discussed, it does not make the ASP a form of privatization in the strictest sense of the word. Autonomous schools are not private schools independent of the state and its regulations. Public funds do not follow students to private institutions, and the autonomous schools continue to receive per student allocations from the state. While the school councils have some power over personnel, budgeting, and curriculum, all their decisions are overseen by the ministry at both the local and regional level. The fee system is a form of user charge, which while arguably egregious and unarguably within the neoliberal ideology, is not the same as privatization. The ministry-led strategy allowed the ASP to be protected from an even larger national debate, so that after a few years it was established enough to stand (or be brought down) on the basis of its merits (or lack thereof).

[18] Interviews revealed that if fee revenue was substantial, the councils typically allocated half to teacher remuneration and half to maintenance/repair; purchase of furniture or other amenities such as computers or library books; and/or social events. However, if fee revenue was low, councils tended to cut the teacher remuneration first. The salary bonus for teachers ranged from 0 to 50% of their monthly income for secondary school teachers and 0 to 30% for primary school teachers. Unfortunately, this is probably why we found morale to be particularly low among teachers in very poor, and particularly rural, communities where autonomy has fulfilled none of the promised financial rewards for teachers. Thus, the flexibility in the reform process has brought benefits but also threatened the early abandonment of the reform.

On a more minor note, the ministry had some early trouble with the actual fiscal transfers to some autonomous schools. This disgruntled some teachers and caused them to withdraw their support of the reform. Had a similar problem occurred with a programme with more legislative backing, it would be easier to outlast this kind of typical early administrative trouble. However, if the strategy is to pursue reforms via ministerial directives, it is especially important that nuts and bolts accountability issues, like payroll, run smoothly from the very outset.

[19] Staging and sequencing reform is important for either strategy. Peterson (1994, pp. 21–22) highlights the need for the staging of transfers of service responsibilities to, for example, municipalities. He suggests: In a first stage, municipalities can be allowed to volunteer for local service assumption, providing municipal administration meets a satisfactory standard of efficiency. Lessons will be learned from the adjustment problems encountered by these lead authorities. In a second stage, the remainder of the universe of large municipalities can be given service responsibilities. In a third and final stage, the transfer of service functions can be extended to all municipalities’.
REFERENCES


