From the Streets to the Classrooms: The Politics of Education Spending in Mexico

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Dissertation submitted in partial fulfillment of
the requirements for the degree of Doctor of Philosophy in the Department of
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ABSTRACT

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Abstract

This dissertation examines the political determinants of government spending across different levels of education. What are the political motivations that drive budgetary decisions on primary, secondary, and tertiary education? Who are the beneficiaries of these appropriations? Why are they capable of influencing the decisions over appropriations?

I argue that the distribution of education spending across education levels depends on the capacity of organized groups active in this sector to make their demands heard and served by governments. Better organized groups have stronger capacity to take advantage of the electoral concerns of politicians and influence their decisions on educational budgets. I provide evidence to show that, with some exceptions, the teachers' unions in the primary and secondary schools are the most influential organized group in the education sector. By taking their demands out to the streets, by capturing key positions in the education ministries, and by using their mobilization capacity in the electoral arena, teachers have made governments cater to their economic interests, rather than direct resources in ways that would enhance access to and the quality of education.

I test the theoretical arguments using an original dataset incorporating a comprehensive account of all protests, strikes, and other disruptive actions by teachers, university workers, students, and parents in Mexico between 1992 and 2008. The statistical analysis reveals that 1) states with higher levels of teachers' protests receive

larger federal education grants, and that 2) subnational authorities spend more on primary and lower secondary as a consequence of the larger disruptive behavior observed in these education levels. Complementary qualitative evidence shows how the teachers' union has captured the education ministries at the federal and the subnational levels, consolidating its influence over education policy. Finally, this study reveals the teachers' union capacity to leverage their participation in electoral politics in order to defend its economic interests.

For those who have taught me, especially Mom and Dad

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Acknowledgements

It has been a long journey since I decided to go into graduate school. When I look back, I realize the enormous number of debts on which I have incurred during these years at Duke. There are some key moments in life when one can stop and look back to understand how along the way, there are key figures that allow you to grow and accomplish important goals such as this one: finishing my dissertation and my Ph.D. in Political Science. I apologize in advance for these long lines of acknowledgements, but I feel the duty and the need to express with as much clarity and affection as possible, my gratitude with all the people and institutions that have contributed in so many ways – academic, emotionally, and even financially- to arrive to this point in my intellectual formation.

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Along my life I have had the fortune of receiving the support of great mentors; all of them have contributed in different ways in my formation, without which I could not have accomplished this project. Karen has constantly encouraged me to look Mexico in comparative perspective. She has read practically all what I have written during my years at Duke and has been always given me great advice on how to improve my scholar work. She has constantly pushed me to clarify the arguments and get the necessary

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which has resulted in a poor quality education. His constant questions and challenges regarding my analyses about the teachers' union in Mexico and its leader "Elba" have pushed me to identify the key elements of the interaction between political parties, the governance of the education system, and the general public in order to understand the current educational situation in Mexico and other Latin American countries.

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importance of effort and perseverance. Therefore, my parents have been my teachers in the grandest sense. Through all the trials and tribulations of my PhD program, they were always a support.

1. Introduction

1.1. The political economy of education

Education is a key policy for governments, policymakers, and the general public, and an increasingly studied scholarly topic. Perhaps not surprisingly, a growing consensus has emerged on the importance of education for the development of human capital, the improvement of health, and the promotion of overall well-being. From a social point of view, education is frequently considered a panacea against poverty, inequality, and social despair (Barro and Sala-i-Martin 1995, Birdshall and Sabot 1997; Birdshall and Londoño 1998; Psacharopoulous 1995). When meeting a certain threshold of quality, education increases the role of technological innovation (World Economic Forum 2006-2007) and fosters economic growth (Hanushek and Wößmann 2007). In a nutshell, spending on education is a good investment.

From a policy standpoint, investment in education has been central in strategies to promote economic growth and social cohesion. International organizations have called governments to increase their levels of spending on education (ECLAC 2004, UNESCO 2002, OECD 2005, World Bank 2004). Between 1960 and 2008 the average spending on education in the world increased from 2.5 percent to 4.8 of GDP (World Bank 2009). However, while governments agree on the benefits of education spending, there is enormous variation in the way these governments allocate resources across education levels and across time (UNESCO 2009).

Some countries heavily privilege tertiary education while others allocate more to primary and secondary education. The beneficiaries of these education expenditures are different. Cross-national studies show that in developing countries, the main beneficiaries of primary and lower secondary education are the poor (Psacharopoulos, 1995; Scott 2005). In contrast, given the higher economic and opportunity costs of college education, it is mostly the middle classes and the rich who study in universities, and therefore benefit from government spending on tertiary education. Thus, the allocation of education spending has clear distributional consequences for different social groups. Government spending on primary and secondary schooling can be viewed as progressive because it enhances social equality by providing all children with an even start. In contrast, government spending on tertiary education can be seen as regressive because it benefits only those who can afford to delay earning an income until after the completion of a university degree.

Given that not all societies decide to allocate public resources for education in a similar way, it is necessary to identify the factors that drive the variation in the distribution of education budgets. What can explain differences in the distribution of education spending? What are the political motivations that drive budgetary decisions on education? Who are the beneficiaries of these appropriations? Why are they capable of influencing the decisions over appropriations? Although scholars have made important progress in enhancing our understanding of the politics of aggregate levels of education spending, the factors that affect the distribution of education spending across the primary,

secondary, and tertiary levels are relatively unexplored. This study is an attempt to fill this gap.

In this dissertation I assess the politics of education spending and present evidence to advance our understanding of the distribution of governments' expenditures on education. I contend that in order to comprehend the distributional struggles and consequences of education budgets, it is necessary to go beyond the aggregate measures of spending. Furthermore, I contend that for a good understanding of the political economy of education spending one must take into account the interaction between actors responsible for budgetary decisions and the strength of the organized interests that demand these resources.

1.2. The argument

The main argument of the dissertation is that the electoral considerations that motivate governments in the resolution of conflicts over education spending are mediated by the collective action capacity of organized groups –teachers, workers, students and parents—who benefit from the public resources in this sector. Strikes, mobilizations, street blockades, and the invasion of government offices and buildings are among several strategies utilized by these groups to exert pressure on the government, and achieve their demands. The effects of these disruptive actions on education budgets vary according to the actors that carry them out and according to which education level the actors belong to: primary, secondary, or tertiary.

Of all the interest groups in the education sector, teachers' unions are the most powerful and influential. They are the largest segment of public workers in every country. Protection from external competition from abroad, access to mandatory contributions from members and high collective bargaining power provide teachers' unions with great leverage to gain political clout and to influence spending decisions on education. Among all organized groups in the education sector, teachers' unions are best positioned to use a portfolio of strategies –disruptive actions, the capture of education bureaucracies and relationships with political parties – to advance their demands and get better job benefits and working conditions. Because of their ability to mobilize collective action and threaten to take their demands to the streets, teachers' unions can extract significant resources from governments.

Building on literatures examining interest groups, unions and social movements, I identify that not all voices are heard equally by politicians when they make their decisions on the distribution of funds for education. These literatures highlight that capacity to organize affects groups' ability to influence public policy. During the last two decades, trade unions around the world have gone through difficult times. As globalization has integrated markets pushing firms to compete to keep production prices low, unions have increasingly been faced with new competitors from parts of the world with lower labor costs. As a result, unions have become less influential in labor relations in the private sector. As Wallerstein and Western point out "unions are in big trouble… under attack by conservative politicians, battered by overseas competition, threatened by

capital flight, bewildered by changes in the nature of work, and shackled by an outmoded egalitarian ideology" (Wallersterin and Western 2000 p.355).

The stress that trade unions have faced during recent years in the private domain has not affected the unions in the education sector. Because most education services are not tradable, this sector is inherently protected against external competition from abroad, allowing unions to continue to organize the employees in this sector. Their persistence, as well as their unionization rates and wide geographical presence in every country, have made them powerful political actors. This study shows that teachers' unions influence education spending decisions as no other actor and are the major beneficiaries of the funds allocated to this social sector. They demand resources for better pension funds and defend early retirement. They favor policies that imply a smaller number of students per class – and therefore require more hiring – and resist any oversight measure of their performance in the classroom. Teachers use their power to receive exclusive special bonuses such as the teachers' bonus day. They negotiate with governments for funds for teachers' housing programs. They constantly influence the selection process of new teachers, and privilege salaries based on the number of years in work rather than on merit pay systems based on external evaluations such as standardized tests.

They also make sure to take their demands to the streets when their benefits are jeopardized by governments' budgetary decisions. Even during times of economic hardship, when governments facing budgetary deficits discuss the possibility of budget

cuts, teachers make sure elected authorities leave aside the possibility of cutting teachers jobs. Teachers' unions protect their members and force governments, if budgets adjustments are necessary, to only let go non-unionized teachers and to focus their budget cuts in other areas, including sometimes important social services such as the police force.

Interest groups such as the teachers' unions use different tools to consolidate their organizational structure. First, they rely heavily on the provision of selective incentives to their members in order to secure their loyalty. Teachers' unions have sufficient control over institutional resources and selective incentives – *e.g.*, teaching posts, the systems of teachers' evaluation, and member quotas – to maintain loyalty and discipline among union members. These members are willing to follow the requests of their leaderships when times require it in order to defend the benefits and privileges that these organizations guarantee. Second, the interaction between the members of these organizations provides their leaders with opportunities to reward those who conform to the norms of the unions and to punish those who do not. This combination of carrots and sticks contributes to the consolidation of the collective action capacity of teachers' unions. As a result, teachers' unions have been historically powerful interest groups beyond the education arena. Their organization capacity has allowed them to influence electoral politics and through such influence, unions have been able to further consolidate their control over the education system.

In this dissertation I show that although other actors can come together and form organizations or social movements through which they also try to influence budgets for education, these collective bodies are weaker in comparison to teachers' unions. Collective bodies such as parent associations and student organizations seldom possess selective incentives or constraints over their members and are rarely bound by institutional routines similar to the ones that allow teachers' unions to consolidate their organizational capacity.

In my research I recognize that partisan actors canvassing for electoral support vary in their response to the political pressures from organized groups in the education sector. In their electoral considerations, parties respond to the popular demands of organized groups according to both the mobilization capacity of potential beneficiaries and the linkages they have with these groups. The better organized groups – teachers' unions – are more effective at influencing politicians' budget decisions by exploiting their electoral concerns. In exchange, political parties expect both to benefit from avoiding disruptive political mobilization that could affect their governance and political performance, as well as to gain the political support of these organized constituencies whose political value increases as the levels of electoral competition increase.

As I aim to show in this dissertation, the politics of educational spending is a much more complex process than the view advanced by the extant political economy literature. Most studies have embraced the assumptions of the median voter, but have

ignored the distributional struggles that my theoretical framework incorporates. I argue that the distribution of educational spending between primary, secondary and tertiary education is the result of the social mobilization capacity of organized actors in the different education segments. I thus hope to complement existing studies in political economy that account for aggregate levels of public spending in terms of political regime differences, electoral considerations, partisanship differences, and international factors.

This dissertation brings into the analysis of education reforms the role of organized interests in the education sector and examines the way they influence the allocation of government expenditures across education levels (primary, secondary and tertiary education) and between levels of government (federal and state governments). By disaggregating education spending, this dissertation highlights the capacity of organized interest groups in the education sector to influence the distribution of budgets. The examination of disaggregated funds further allows for the identification of other important political factors influencing governments' expenditures – such as partisan considerations and electoral motivations – that also vary across the different segments in the education sector.

This study contributes to the advancement of research on the relationship between democratic politics and the provision of public goods. Scholars have compared the performance of democracies and non-democratic regimes and have maintained that democratic governments provide more public goods to their citizens. The competitive electoral processes and accountability mechanisms that democracy presupposes have

been seen as the best incentives for elected authorities to be more attentive to the electorate's demands. Politicians know that in order to stay in office they need to provide public goods and services that satisfy voters and gain their support. However, as this dissertation shows, pursuing electoral goals through the provision of public goods such as education often implies that politicians must cater to organized interest groups that command mobilization capacity and can guarantee electoral support.

This dissertation also contributes to advancing our understanding of fiscal federalism and the effects of decentralization for education spending. Policymakers and scholars have frequently argued that decentralization improves the efficiency of the provision of education services by bringing the authority in charge of their provision closer to citizens' demands while simultaneously strengthening the democratization processes in these countries (Di Gropello 1999). In practice, however, the decentralization of education policy did not only change the fiscal relationships between national authorities and the lower levels of governments that assumed new responsibilities, but also the distribution of decision-making power among key players, including subnational governments and organized interest groups.

Following decentralization, new policy responsibilities were accompanied by the distribution of federal grants, so state and local governments could carry out education services. This dissertation shows how powerful interest groups such as the teachers' union have captured the process of decentralization and benefited from it. They have

used their capacity to carry out disruptive actions in order to influence both the distribution of federal education grants and the subnational budgets for education.

1.3. Testing the theoretical arguments in the Mexican case

Mexico provides the ideal empirical setting for testing the implications of the theoretical argument advanced in this dissertation work. The underlying goal of my research is to improve our understanding of the politics of education spending and its allocation across levels. In addition, this dissertation research contributes to enhancing our understanding of decentralization and its consequences when powerful interest groups interfere with the intended allocation of decision-making and spending responsibilities. For reasons I emphasize below, the Mexican case offers an ideal empirical ground to pursue these goals and to rigorously test alternative explanations of democratic responsiveness to the provision of public goods.

The analysis focuses on the 1992-2008 period, when the country transitioned from authoritarian rule to democracy and from a closed state-led economy to an open market increasingly integrated into the international economic system. These dual transitions allow me to assess the impact of social mobilization over the distribution of education spending alongside the impact of political regimes, and electoral, partisan, and economic factors typically associated with educational spending. Furthermore, although formally Mexico has been a federal country throughout most of its history, the country was highly centralized during most of the twentieth century. However, during the last two decades, hand in hand with the increasing political competition that emerged first at the

subnational level and eventually at the federal level, and as part of the economic adjustment process and a new development strategy, Mexico has gone through a series of reforms to decentralize public services. Education is the most important policy area from those which have been decentralized in recent years. These conditions –increasing but uneven democratization and decentralization – provide the variation across time and space necessary to test the theoretical arguments advanced in this study.

In 1992, when the decentralization of education was implemented, 30 out of 31 states were governed by the PRI. Electoral competition has grown since then both at the federal and subnational levels. In 2000, the PRI lost the presidency and eight states had already experienced government turnover. By 2008, 25 states had governors from a different party than the president's party. However, there were still seven states in which no political party other than the PRI controlled the executive and legislative branches of state government (Hiskey 2010).

As a consequence of the increasing decentralization and the growth of resources transferred toward Mexican states, subnational governments increased their levels of public spending. Between 1990 and 2011, state-level public spending grew 147 percent in real terms. The governors' access to increasing public funds has occurred in a context of uneven democratization at the state and local level (Cornelius et al 1999; Gibson 2005; Giraudy 2010; Guillén López 1995; Snyder 2001). In some states such as Morelos and Nuevo Leon, governors have not had a majority in Congress and have faced intensive legislative negotiations. In other states such as Coahuila and Quintana Roo the

subnational executives have had large legislative support in their local congress and have abused political power.

In terms of the disruptive actions carried out in the education sector, there are also important levels of variation by education level and between states. With a common border, the southern states of Tabasco and Chiapas have had opposite experiences in relation to the number of protests observed in their primary and lower secondary schools. While in Tabasco, between 1992 and 2008, there were on average 2.5 teachers' protests per year, in Chiapas teachers were much more active in the streets and carried out on average 14.2 protests per year. Sinaloa experienced low levels of protests in the education sector, although protests in the tertiary education level (3.6 per year) are slightly higher than the disruptive actions observed by teachers of primary and lower secondary education (2.7). In other states as the State of Mexico, the number of protests by education level was similar (9.7 in the case of primary and secondary, 10.4 in public universities).

In sum, the variation observed both across time and space in political competition, the levels of pluralism in local legislatures, and the disruptive behavior in the education sector provide the conditions to test empirically the hypotheses proposed in this work.

Furthermore, the comparison of subnational units is valuable because it increases the number of available cases and controls for some systemic sources of variation (King, Keohane, and Verba 1994; Putnam 1993). National aggregated data hides important subnational variation of factors that are theoretically relevant. For example, there is a

growing literature that has underscored the uneven democratization within countries (see Gibson 2010 for an overview of this literature). Analyses which use democracy averages of heterogeneous subunits without controlling for dispersion are methodologically unsatisfactory and can lead the researcher to wrong conclusions, including on the effects of democratic regimes for the provision of public goods such as education (Linz and Miguel 1966).

The Mexican states provide a great setting for a comparative analysis of subnational units and for testing how organized interest groups in the education sector influence the budgetary allocations for education across levels in each of the different states. The experience of the Mexican states helps us understand how powerful interest groups can leverage their influence in the electoral space to shape the provision of public goods to their advantage. Finally, the comparison between the 31 Mexican states allows us to identify the challenges for the implementation of decentralization and its consequences for key public services such as education.

1.4. Collective action, electoral concerns and budgetary decisions

This dissertation research shows that organized interest groups in the education sector influence the distribution of education budgets. However, not all groups have the capacity to make their demands heard by elected authorities. This study provides empirical evidence revealing that the union of primary and secondary school teachers in Mexico, the SNTE, is the most influential organized interest group in Mexico's education

sector. Teachers can leverage their ability to disrupt the provision of education services through strikes and protests in order to increase their access to government funds earmarked for education. In addition, teachers' unions have also taken advantage of politicians' electoral motivation by promising to deliver votes in exchange for more benefits and larger education budgets.

This dissertation shows that politicians serve organized groups for two reasons. On the one hand, political leaders are fearful of the negative consequences of the unions' disruptive actions challenging decision-makers' performance. On the other hand, they hope to leverage the mobilization capacity of unions to generate votes supporting their mandate. I argue that street protests do not preclude ballot considerations driving budgetary decisions in education, but they do qualify their effect. Through their power to mobilize both on the streets but also at the ballot, teachers' unions are capable of exploiting to their advantage the electoral concerns of politicians and extract larger budgets from the federal government as well from the subnational authorities.

These findings suggest that it is necessary to qualify the effects of electoral competition on the allocation of funds to education. As mentioned above, the literature on democracy and provision of public goods, and particularly the existing research regarding the effect of political competition on education spending, have argued that electoral incentives influence elected authorities to provide more public goods in order to gain votes. However, this dissertation research shows that in the presence of powerful organized groups such as teachers' unions, the disruptive actions carried out on the streets have a stronger effect on the decisions of education budgets than competitive elections.

The empirical evidence provided in this work also highlights that the margin for electoral manipulation of federal grants decreases considerably under conditions of strong organized groups such as the teaches' union.

1.5 Roadmap

The study is organized in six additional chapters. Chapter 2 establishes the theoretical foundations of the dissertation. The chapter provides an overview of the literature on democracy and the provision of public goods, which has focused on the effects of electoral competition on public spending for public services such as education. This body of work, however, has analyzed aggregate levels of educational spending without taking into consideration the distribution of expenditures across primary, secondary and tertiary education levels. I argue that disaggregating education spending allows for a better understanding of the political economy of education spending and show that existent scholarship on education spending has assumed incorrectly that the main beneficiary of the public budgets for education is the median voter. Considering that in countries around the world a high percentage of education funds are used for teachers' salaries and that teachers' unions are often the largest public sector unions, I emphasize that in order to understand the politics of educational spending it is essential to analyze the role of these organizations and other interests groups on the distribution of funds for education. I advance a theoretical framework that builds on the literature of interest groups and unions to underscore that the groups with the highest collective action capacity in the education sector are the teachers' unions. These unions use a portfolio of selective

incentives and political strategies to maintain loyalty and discipline among their members. These selective incentives also allow the union leaders to organize protests and carry out other disruptive actions in order to extract resources from elected authorities.

Chapter 3 provides an overview of the history of the teachers' union in Mexico and an analysis of the different attempts to decentralize education in Mexico. The chapter underscores how the teachers' union modified the content of the decentralization policies to ensure that their interests would not be affected by the efficiency goals that motivated its implementation. It shows that, in order to create the political conditions necessary for implementation, the federal government had to provide a series of economic benefits to the union, including a merit pay program that was eventually captured by the leadership of the teachers' union who used it to strengthen its control over education spending. Ultimately, decentralization blurred the division of state responsibilities on education between federal and subnational authorities, while keeping the monopoly of representation in the teachers' union, who, paradoxically, started as the main opponent of the decentralization of education services and ended as the main beneficiary of this reform.

In chapter 4, I analyze how the decentralization of education policy affected the allocation of federal transfers toward the Mexican states. This chapter offers an empirical assessment of the theoretical argument on the basis of an original dataset which contains information on all disruptive actions by teachers, administrative university workers, students, and parents in the 31 states and in Mexico City between 1992 and 2008. The

dependent variable in this chapter is the change in the educational transfers per student for basic education (primary, lower secondary) and teachers' training colleges, and the change in the total federal grants per student allocated for education to states in Mexico. This dataset reveals that collective action in the education sector varies, as the theory predicts, by education level and by actors, across time and across space. This chapter also tests several of the hypotheses that have been predominant in the literature of fiscal federalism. Specifically, the chapter examines whether strategic behavior is present in the allocation of federal educational grants for states and contributes to the advancement of scholarship on fiscal federalism by showing that while it is widely believed that electoral competition influences the allocation of federal grants and public spending decisions, in the case of conditional grants, determined under the presence of powerful organized groups such as teachers' unions, and under conditions of divided government, there is considerably less room for electoral manipulation.

Chapter 5 analyzes the politics of educational spending financed by subnational authorities in Mexican states from multiple angles. First, the chapter provides further testing of the theoretical argument by disaggregating educational spending per student for basic education and tertiary education in 31 Mexican states for the period 1996 to 2009. The same dataset of disruptive actions in Mexico is used to assess their differentiated effect over spending decisions by education level financed with subnational budgets. Second, following the literature on educational spending, I also test a complementary hypothesis on the effect of competitive elections and partisanship on the expenditures for each education level. Third, I examine whether electoral considerations lead to political

budget cycles in educational spending. Fourth, I also provide evidence on how increasing pluralism observed in the local congresses – measured through the effective number of parties in subnational legislatures and divided government – has had different effects on the expenditures targeting different educational levels. By relying on subnational units for hypothesis testing, this chapter avoids the problems that have deviled cross-national studies when making generalizations derived from aggregate national data that conceal significant variations within countries (Snyder 2001). Moreover, this subnational analysis avoids the problems of data comparability both across education levels, and among spending figures reported by national agencies and used in the cross-national studies (De Ferranti 2003, Stuart et al. 2006).

In Chapter 6 I trace how the teachers' union uses complementary strategies beyond its disruptive capacity in order to consolidate its influence over education policy in general and over the resources allocated to basic education level in particular. Based on an extensive review of the national and the local press and on fieldwork conducted in Mexico City, the State of Mexico and Morelos, I show how the union has captured the educational structures at the federal and the subnational education systems by instating loyal members in key authority positions in the education systems. Likewise, this chapter highlights how taking advantage of its mobilization capacity, the teachers' union has successfully adapted to the decentralization and democratization processes in the country by participating actively in electoral politics. Formerly a corporatist member of the electoral coalition of the hegemonic party that ruled Mexico for more than seventy years, the union has learned to diversify its political alliances with all the major political parties.

Finally, since 2006 the union has enhanced its participation in the electoral arena by forming its own political party. This new strategy has allowed the teachers to have their own congressional representation in both the federal and local congresses and one additional political tool to defend favorable allocations in the education budgets. I present original data on the specific benefits that teachers receive across the states. The variance observed in the type of benefits (standardized as number of paid days) portrays the different capacities among the teachers' union sections to influence state authorities when serving their economic demands.

Chapter 6 also provides an overview of the multiple corruption practices that have accompanied the growing budgets for basic educational spending. In that section, I analyze how corruption and clientelism have survived despite the decentralization of education policy and the growing competitiveness of elections in Mexican states. Despite its negative consequences for development and well-being, the current situation of schools and public spending on basic education is a stable political equilibrium. This equilibrium is explained by the institutional framework of the political system and the governance of the education system.

I end in Chapter 7 with a review of the argument and the key findings, a brief discussion of the theoretical implications for education policy in other developing countries and a few thoughts on possible theoretical extensions for future research that can address some of the limitations of the present study.

Education spending is not a decision that should be taken on ideological grounds; it is not a decision between left and right but a decision between past and future.

President Felipe Calderón February 7th, 2007.

All societies must invest in their most valuable asset: their people. Education plays a critical role in enhancing economic competitiveness and growth, facilitating personal development and building strong and healthy societies.

Angel Gurría, Secretary-General of the OECD

In politics, an organized minority is a political majority.

Jesse Jackson, American politician

2. Theoretical considerations

2.1. Introduction

Education is a critical policy for governments, policymakers, scholars and the general public. There is an increasing consensus on its importance for the development of human capacities, for improving health, and for promoting overall well-being. From a social point of view, education is frequently considered the silver bullet against poverty, inequality, and social despair. Consequently, investment in education has moved to the

center in the strategies to promote economic growth and social cohesion. Between 1960 and 2008, the average spending on education in the world increased from 2.5 percent to 4.8 of GDP (World Bank 2009). However, while there may be consensus on the benefits of education spending, there is enormous variation in the way governments allocate their resources across education levels and across time (UNESCO 2009).

What can explain the different distributions of educational spending? What are the political motivations that drive budgetary decisions on education? Who are the real beneficiaries of these appropriations? Are they capable of influencing the decisions over the distribution of educational spending? Although there has been progress in our understanding of the politics of aggregate levels of education spending, the distribution of this spending across educational levels is relatively unexplored (but Ansell 2008). Also largely missing from existing research is the analysis of the role of organized interests, which shape budgetary decisions as well as the electoral considerations motivating governments in the resolution of conflicts over educational spending. Particularly notable in this regard are unions, which exert pressure on governments by menus of strikes, street blockades, the invasion of government offices and buildings, and electoral mobilization.

The central focus of research explaining edcucational allocation has been regime type. We know that democracies outspend authoritarian regimes in their overall educational expenditures (Brown & Hunter 2004; Hecock 2006; Stasavage 2005). Moreover, scholars have found evidence in advanced democracies of partisan differences

in educational spending. Left-wing governments are more likely to spend more on education than conservative governments (Ansell 2008b; Boix 1997; Huber, Mustillo & Stephens 2008; Kaufman & Segura-Ubiergo 2001). The political economy literature has also explored the effects of globalization on social policies, whithout reaching any firm conclusions as to where governments respond to globalization with social policies oriented toward cutting costs (efficiency), or toward protecting their citizens' welfare (compensation). For defenders of the efficiency hypothesis, governments tend to reduce educational spending, while for proponents of the compensation hypothesis, countries that are more integrated into the global economy spend more on education (Avelino, Brown and Hunter 2005; Garret 1998; Huber and Stephens 2001; Rudra and Haggard 2005; Rudra 2008).

As it stands, however, the existing literature has a simplified view of the politics of education spending. Not only does it ignore distributional struggles over educational budgets, but it does not consider the role of the beneficiaries of these expenditures. Scholars tend to assume that the allocation of public expenditures for education is used for building schools and improving the education infrastructure; but, in most countries more than 80 percent of educational spending is allocated to salaries. As a consequence, it is hardly to imagine that the beneficiaries of these wages do not try to influence the size or distribution of education budgets. I address this omission by analyzing the ways that organized groups in the education sector influence the political arena in which the budgetary decisions are made. I challenge the conventional view associated with the

median voter theorem, which would predict that in poor democracies governments will favor the expansion of education budgets at lower levels of education (primary and secondary) rather than at the tertiary level. I contend that in order to understand the politics of educational spending, it is necessary to integrate the interaction between actors making budgetary decisions, and organized interests pressuring for more resources. My research analyzes the impact of the social mobilization of organized actors in the education sector on the allocation of educational spending.

I argue that the electoral considerations that motivate governments in their resolution of conflicts over educational spending are mediated by the collective action capacity of organized groups who benefit from the public resources in this sector---teachers, students and parents. I recognize that political parties react differently to the political pressures of these groups depending upon both the mobilization capacity of the potential beneficiaries of state spending, and their partisan linkages. The better organized groups have a stronger capacity to take advantage of the electoral concerns of politicians in order to influence their decisions over educational budgets. In exchange, political parties expect to both benefit from avoiding disruptive politics that could affect governance and their political performance, and to gain the political support of those organized constituencies whose political value grows as the level of electoral competition increases. Therefore, the politics of educational spending is a much more complex process than the standard view advanced in the political economy literature, which has embraced the assumptions of the median voter, while ignorintg the distributional

struggles that this model tries to address. Unlike prevalent explanations that account for aggregate levels of spending in terms of political regime differences, electoral considerations, partisanship differences, or international factors, the main working hypothesis that I advance and test with this dissertation, is that the distribution of spending between primary, secondary and tertiary education is largely shaped by mobilizing capacity of organized actors in the education sector.

This chapter is organized as follows. In the first part, I briefly review the literature on democratization and public good provision. I show that the logic of the median voter theorem has heavily influenced these studies. I contend that it is paradoxical that authors, who have assumed that the distributional consequences of democracy are the result of the electoral pressures, have themselves ignored the distributional conflicts involving the allocation of resources among the different education levels. In the second section I develop this argument, bringing into the analysis the role of the organizational capacity of the actors benefiting from these decisions---teachers, students and parents---and explain how in a context of electoral competition, they influence the distribution of resources in the public education sector. Moreover, I assess the way partisanship mediates the distribution of education spending across levels, qualifying the conventional wisdom that left-oriented parties spend more on education and especially on primary education, in comparison to more conservative parties. Finally, the last section summarizes the argument and delineates the set of hypotheses to be tested empirically in subsequent chapters.

2.2. Political economy of education spending

There is a growing consensus in the literature on human capital: education is good for development. Education matters not only for individual development, health status, social inclusion, and access to employment (OECD / Institute for Statistics 2003), but also has major relevance for countries' socioeconomic development. Education promotes economic growth (Barro and Sala-i-Martin 1995; Psacharopoulos 1995, 2004; Sianesi and Reenen 2003; World Bank 1991, 1993), increases the rate of technological innovation (Goldin and Katz 2008; World Economic Forum. 2006/2007), contributes to poverty reduction (Watkins 2000; World Bank 2000), helps to lower economic and gender inequality (Birdsall, Ross, and Sabot 1997; Birdshall and Londoño 1998) and has positive externalities on improving health and reducing crime (Psacharopoulos 2004). In a nutshell, education is a good investment and has been seen as a cornerstone of human development potential. Consistent with an appreciation of the positive externalities of human capital, diverse international organizations agree on a policy prescription of investment in education (ECLAC (Economic Commission for Latin America and the Caribbean) 1999; ECLAC (Economic Commission for Latin America and the Caribbean) 2000, 2001; OECD 2001, 2006; OECD / Institute for Statistics 2003; Sherman and Poirier 2007; UNESCO 2000, 2006).

Governments have increased educational spending over the last fifty years. Between 1960 and 2008, the average spending on education in the world increased from 2.5 percent to 4.8 of national income (Ansell 2008). However, even when controlling for a wide range of socio-economic and socio-demographic variables (e.g. the stage of development, the levels of economic growth, the availability of resources and the governments' fiscal capacity, development strategy, demographic variables and other structural controls), we observe wide variation in educational spending by governments.

The politics of these investments in human capital has been addressed by several recent studies which focus mainly on the aggregate level of spending. Put briefly, the main arguments in the literature are two: 1) democracies in Latin America and Africa spend more on education than non-democratic regimes,[1] and among them, 2) left-wing governments in Western Europe and Latin America outspend their right-wing competitors (Ansell 2008; Boix 1997, 1998, 1999; Huber et al. 2006).

2.2.1 Democracies, elections and educational spending

The impact of political regimes on the provision of education has been the most explored thesis in the current literature. Scholars have compared the performance of democracies and non-democratic regimes and have maintained that democratic governments have

[1] Joan Nelson has summarized the literature of public good provision in a recent review.

better education policies. These arguments can be grouped into four different theoretical categories:

a) The state as a monopoly which produces public services, while democracy is a competitive political market.
b) The effect of political freedoms and individual rights for the provision of public goods.
c) Elections and the size of the electorate.
d) The long-term effects of democracy on the provision of human capital.

a) The state as a monopoly producer of public services, and democracy as a competitive political market.

In several articles, Matthew Baum and David Lake (2001) develop a theory that identifies the state as a monopoly producer of public services. They argue that giving their legitimate monopoly over the use of force, states are capable of producing goods where as collective action problems, informational asymmetries, contractual impediments, and barriers to voluntary exchange would otherwise result in market failures. When contrasting democracies and non-democratic regimes (autocracies), it is necessary to understand the costs of participation and the barriers to exit. Democracies have competitive political markets with low costs of participation and barriers to exit. Under these circumstances, politicians who are utility maximizers who compete for office, may face credible threats from new participants in the political market. As a

consequence, under democratic regimes the state is less able to extract rents from its citizens and has a weaker monopoly power.

Politicians have an incentive to provide more public goods when they are fearful of losing the election if they do not act accordingly. In contrast, in autocracies elections are largely irrelevant and politicians face lower risks of losing power. Political markets are dominated by a group of individuals linked to the ruler and are capable of exercising their monopoly power to extract higher rents from their citizens. As a consequence, cronyism is more likely, as in the case of Suharto in Indonesia, or in the Philippines under Marcos (Lake and Baum 2001). In contrast, competitive political markets lead to a more generous provision of public services such as health and education. It is precisely due to the higher provision of basic services that democracy has a positive indirect effect on economic growth (Baum and Lake 2003).

b) The effect of political freedoms and individual rights for the provision of public goods.

Under this view, the effects of democracy on the provision of education and other public goods come from the capacity that individuals have to organize politically and openly express their points of view. The provision of public services is a consequence of extending political rights and civil liberties. Freedom of the press strengthens the accountability mechanisms of politicians who are potentially subject to harsher criticism in case they do not deliver on their promises. The public is capable of being informed about the way their governments serve their needs, and therefore can punish them

electorally if they fail to provide adequate education. As a consequence, democracy has a positive effect on several aspects of the physical life of citizens (Frey and Al-Roumi 1999; Sen 1999). Brown (1999) found that democracies had higher levels of primary enrollment than authoritarian regimes did in developing regions of Central and South America, the Middle East, South and East Asia, and Sub-Saharan Africa between 1960 and 1987. In the case of Latin American countries, overall education spending is higher in countries that transited to democracy during the 1980s and 1990s than that observed under authoritarian regimes (Brown and Hunter 2004).

c) Electoral competition and the size of the electorate.

The most compelling argument in this tradition is the one offered by Bueno de Mesquita and his colleagues. They argue that politicians are rational actors who are office seekers, constantly struggling for their political survival. In order to do so, they need to create and maintain a "winning coalition" within the "selectorate", that is, within the smaller body of citizens with the ability to influence who will lead the government. Given that the role of leader is coveted and competitive in all societies, rulers are constantly preoccupied that a challenger could replace them. As a consequence, leaders rationally adopt policies that reward the members of their winning coalition in order to maintain their loyalty. The size of this winning coalition is bigger in democracies than in authoritarian regimes and therefore politicians have different political incentives under these two regimes. The smaller size of the coalition in an authoritarian regime allows rulers to provide private benefits to their supporters. Nevertheless, in democracies the constant provision of these

private goods for a bigger number of potential supporters would be highly inefficient, and therefore governments are more likely to provide public goods such as education. In this way, for governments that rely on a small winning coalition, *good policies are bad politics, and bad policies are good politics*. In contrast, in governments dependent on larger winning coalitions, *good policies are good politics.* Therefore, politicians in democratic arenas are compelled to maintain their electoral connection with their constituencies in order to maximize the probability of their own reelection (Bueno de Mesquita et al. 2003; Mayhew 1974; Root 2005).

Following a similar logic, Stasavage (2005) argues that politicians in recently democratized countries in Africa not only have spent more on education, but have privileged spending on education services that serve the majority of the population. Contrary to previous research, in his study Stasavage not only analyzes the aggregate level of education spending, but compares primary and tertiary (higher) education spending. Given the incentives described previously, African democratic leaders spend more on education and mainly do it by privileging primary education. As this author recognizes, the logic of this literature rests on two assumptions. First of all, citizens care about education and therefore education spending is a relevant issue for voters. Second, candidates have incentives to implement their promises on education spending because they anticipate that the voters will punish them in the next election if they do not implement them.

Peter Lindert has provided an economic historical analysis with a similar electorate approach. He shows that since the early nineteenth century when suffrage began to expand across different Western European countries and the United States, governments started to spend on social policies, among them education. In countries where the "political voice" was spread more equally, the willingness to spend tax money on primary education was significantly greater. "In fact, the countries least willing to spend taxes on mass primary education were not the autocracies but the elite-vote countries" (Lindert 2002, p.13). At the end of the eighteen century, the world champions of mass education were Germany and the United States, although with regional differences. Mass education was heavily financed in the northern states in the United States, Germany and Prussia, but not in the American South or in Britain. Lindert argues that the spread of democratic voting rights played a leading role in explaining why some nations forged ahead in education and others fell behind (Go and Lindert 2008; 2005).

d) The long term effects of democracy on the development of human capital.

Despite the different causal mechanisms enumerated previously, the consensus over the effects of democracy in the provision of human capital-enhancing policies has not been unanimous. The skeptics argue that the empirical evidence used in the studies of the positive views of democracy and the provision of public goods is shaky. Thus democracy is far from being a generous political regime, good for the poor (Ross 2006). Qualitative evidence found in developing regions such as Africa and Latin America

seems to reinforce this image of the diluted benefits of democratic governance. However, recently scholars have challenged this grim view of the socioeconomic effects of democracy.

They argue that it is necessary to differentiate among countries with old democratic politics and countries that have only a brief experience with this type of political regime. In their view, this distinction allows us to disentangle the effects of democracy. The effects of political institutions take time to crystallize (Huntington 1968). Moreover, the civil society institutions that make politicians accountable do not spring forth overnight. Therefore, long-term democracies are more likely to have institutionalized politics, while younger democracies have weaker political institutions and thus are less responsive to their citizens (Keefer 2005). Once we make these distinctions and we consider the "country's stock of democracy" then it is possible to support the thesis that democracy has a strong and robust influence on countries' current level of human development (Gerring, Thacker, and Alfaro 2006).

2.2.2 The median voter argument and educational spending

The main logic that drives the three bodies of literature reviewed is the benchmark result of the median voter theorem (Drazen 2000; Meltzer and Richard, 1981). This model assumes that in a representative democracy with two parties and majority voting, the tax rate and the implicit level of redistribution is determined by the preference of the median voter. In poor and unequal societies, in which the median voter is poor, voters have much to gain by taxing the rich and will impose its preferences by democratic means.

In the case of education, the literature assumes that the majority formed by the poor pressures governments to focus on policies favorable to themselves. Consequently, in low and middle income democracies such as Mexico, educational spending will be distributed from the rich to the poor. Therefore, the allocation of public resources would be expected to follow a pyramid pattern in which the primary education sector would be the level with the highest budget, while tertiary education which primarily serves the rich would receive the lowest share of the educational budget. Educational spending will be redistributed from the rich to the poor and will be higher in the education levels that serve the median voter. In low and medium income democracies such as Mexico, primary education is the level that serves the median voter. Therefore, the distribution of education spending would be expected to have a pyramid pattern as shown in Figure 2.1., with the primary education sector being the largest beneficiary of educational budgets. Public universities (or "tertiary education", to use UNESCO classification term) would be expected to receive the lowest resources in these societies, given that the socioeconomic profile of their students indicates that most of them come from middle class and rich families (Franko 2003; Perry and World Bank. 2006).

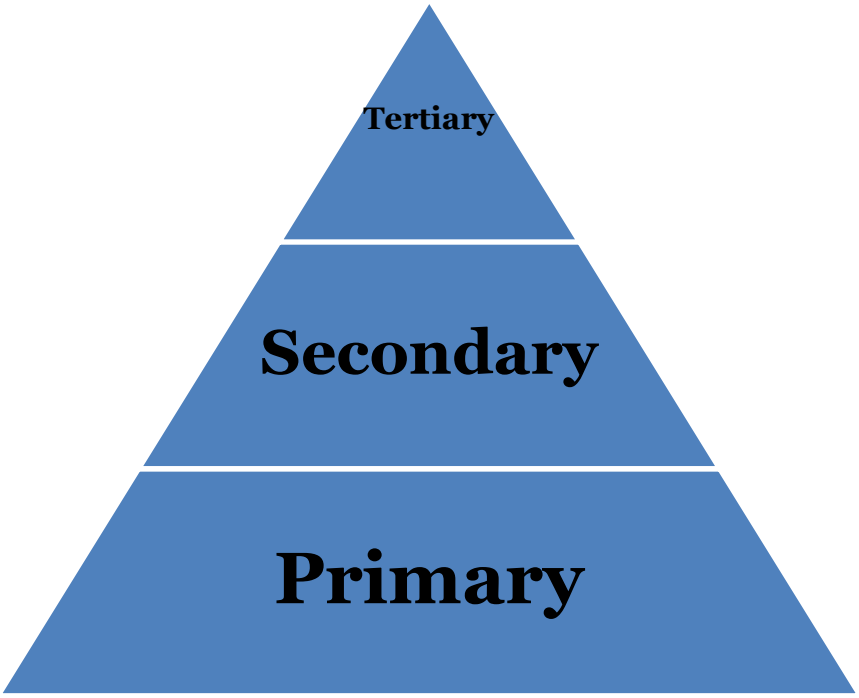


Figure 2.1. Expected Allocation of Public Educational Spending in Low and Middle Income Countries under the Logic of the Median Voter Theorem

Consistent with the literature we reviewed on democracy and the provision of public goods, it should be expected that democratically elected authorities are more concerned with issues of human development than are leaders who maintain power through other means (Lake and Baum 2001). The bottom line is that competitive elections provide the incentives for politicians to behave in a way closer to serving the electorate than their authoritarian counterparts. Therefore, in the case of education, competitive elections should be expected to generate larger educational budgets. This effect should be particularly strong in the education levels with larger social consequences, namely, in primary education.

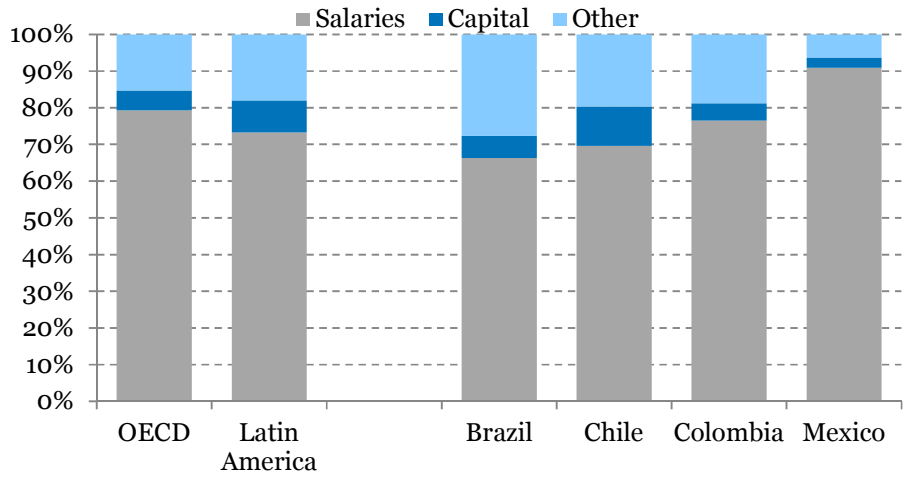
Electoral competition and educational spending.

1. The level of electoral competition will have a positive effect on educational spending. This effect will be stronger in primary education than in tertiary.

However, there is ample cross-national evidence showing that the distribution of education spending does not follow this pattern in emerging economies with democratic governments. In a recent report for the World Bank, Guillermo Perry and his group of researchers contrasted the distribution of education spending in Latin America and the East Asian tigers. Despite the important efforts of Latin American countries to substantially increase the resources allocated to education, with special emphasis on primary education, the inequality in the distribution of these resources persists. Public spending on education has increased from 2.7 percent of GDP in 1990 to 4.3 percent in 2002-2003. Nevertheless, the statistical and anecdotal evidence has consistently shown the persistence of high subsidies observed in many of the Latin American public universities and the insufficient funds allocated to secondary schools. In fact, educational finance in the region reflects an inverted pyramid. Compared to expenditures in OECD countries, in Latin America there is a higher proportion of public resources spent on higher education as a ratio of primary or secondary than in developed countries. In contrast, most of the denominated East Asian tigers have allocated resources closer to the expected distribution under the logic of the median voter theorem (OECD 2008; Perry and World Bank. 2006). In Nicaragua, the wealthiest quintile receives one-third of all public spending on education, while the poorest gets a meager tenth (Franko 2007). In

the case of Mexico, the condition of the public education system cuts against the assumption that education spending serves the median voter. While 58 percent of young Mexicans (19 – 23 years old) in the richest decile have access to tertiary education, only 4.9 percent and 8 percent in the last two income deciles attend a university (INEGI 2008).

As can be seen in Figure 2.2, salaries and wages are the largest component of education budgets. Nonetheless, in the study of the relationship between political regimes and the provision of education, scholars seem to assume that the allocation of public resources for education is mainly for building schools and improving the education infrastructure. They neglect the effect of the organized groups who are actually the main beneficiaries of educational spending.



Source: OECD 2009.

Figure 2.2. Educational Expenditure by Nature of Spending in selected Latin American Countries for 2005 – 2007

2.2.3 The importance of organization: collective action and its effect on education spending

Politicians do not hear all voices equally. As Olson identified in his seminal work on collective action, individuals have different means to influence governments' decisions. There are several reasons why organized groups have a stronger capacity to influence public policy than atomized individuals, even if they undermine the welfare of the majority when they do so (Bates 1981; Olson 1965, 1982, 2000). Individuals' perceptions are imperfect about how much the government contributes to or detracts from

their welfare on each policy. There is asymmetric information between organized groups and the general public. Moreover, interest groups have the resources to process information regarding the policy arena under their influence. In contrast, unorganized citizens lack this knowledge due to the high information processing costs they face (Grossman and Helpman 1996, 2001; Lohmann 1998, 2003). Interest groups are better equipped to monitor governments' activities vis-à-vis the diffused general public, and therefore politicians have stronger incentives to bias policy toward such special interests. These resources open the door to different strategies to block reforms that endanger their privilege. In Latin America, there is ample evidence of the influence of organized groups in policymaking. For example, unions and business associations blocked or shaped the reforms implemented in the region during the 1990s, and frequently preserved the rents they extracted from the state (Haggard and Kaufman 1992; Haggard, Webb, and World Bank. 1994; Hellman 1998; Schamis 1999; Teichman 2001; Weyland 2002).

In the education sector organization also matters. There are different actors that organize and influence educational policy in its multiple aspects, from teaching content, to the hiring process of teachers, and the distribution of spending. These groups are teachers, students and parents. Their organizational capacity varies according to the education level, and consequently they have differentiated means to influence policy in this sector.

In the case of primary education, teacher unions are by far the most organized group. Potentially, students and parents can also organize and influence educational

policy, but their role in this area pales in comparison to teachers' collective capacity. Teacher unions have played a powerful role in the implementation and even in some cases the design of educational reforms. The attempts by some governments to ignore their participation have frequently failed or derailed the education policymaking process (Corrales 2003; Grindle 2004; Kaufman and Nelson 2004; Nelson 1999; Palamidessi and Legarrald 2006).

It has been argued that in a global economy, unions seem to be in trouble given the overseas competition, threats of capital flight, and technological changes that suppress jobs (Wallerstein and Western 2004). In the case of unions in public entities, the fears of job insecurity and union decline are weaker. Workers in the health and education sectors are the largest segment of public employees. They are not subject to competition from abroad. Moreover, they traditionally have a monopoly on representation, and are constantly developing political relationships with political parties that will guarantee them institutionalized protection. This monopoly of representation reduces coordination problems and facilitates bargaining by reducing inter-union competition (Golden 1993). Additionally, teachers constitute a more homogenous group compared to other unions in the private sector linked to different companies and thus with more diverse interests. Teachers' unions in contrast share a homogeneous demand for higher salaries and benefits.

Teacher unions have different means to pressure governments and see their interests served. As several scholars have emphasized, strikes are used to influence the

"who gets what of politics". Wages, salaries, public expenditures, and taxation can be determined by union strikes (Robertson 2007). With higher levels of unionization, there are more workers to participate in protests and strikes (Franzosi 1995). This is a powerful resource for unions. Strikes and threats of strikes are highly disruptive in the case of teachers. Parents immediately face the challenge of finding alternative childcare. Teachers have a nationwide presence that consolidates their political position and turns teachers into a valuable asset for political parties.

In the negotiations between education authorities and the union, the teachers' leaders frequently have more leverage over their counterparts due to more accumulated experience. In the case of Latin America, Javier Corrales has documented a high turnover at the education ministerial level, in contrast to the longer tenures of teachers' union leaders (Corrales 1999). Additionally, members of the teachers' unions control important segments of the education bureaucracy and are able to pursue their interests from inside the captured structures of the ministry. Teachers in most countries are rarely supervised on the job. They work alone in classrooms, and as will be shown in detail in Chapter 6, in cases such as Mexico the teachers' union (SNTE) controls most other educational positions (e.g. school directors, school supervisors and superintendents), making impossible any external oversight of teachers.[2]

From the point of view of their members, teachers' unions diversify the means of control and compensation over their affiliates. On the compensation side, unions deliver

[2] Terry Moe describes the resistance of teachers' unions in the United States to accountability measures (Moe 2011).

different benefits (carrots) to teachers. They provide them with job security, facilitate the negotiation of higher wages, and negotiate more generous benefits (such as lower interest rate loans and mortgages, better health services, compensatory payments for vacations, complementary payments for teachers' day, and even Christmas bonuses). Unions also have access to a repertoire of control mechanisms (sticks) that dissuade dissidents and facilitate the mobilization of their members, if necessary. With monopoly of representation in most cases, teachers unions are provided with institutional protections against challengers. Unions frequently negotiate clauses that provide them with discretionary hiring and firing power, as part of a collective bargaining contract. If teachers' leaders require the mobilization of their members, they have credible persuasive mechanisms to secure their participation in protests and marches. If they do not comply, dissidents can be fired, blocked access to favorable benefits, or sent to remote locations far from where they live. Moreover, it is common in teachers' unions that members pay mandatory monthly fees equivalent to 1 percent of their salaries (Tiramonti and Filmus 2001; Vaillant 2005) . These compulsory contributions provide leaders with the material resources to finance demonstrations and strikes, sustainable even for months. They allow leaders the access to vehicles for the transportation of demonstrators and even facilitate the hiring of consultancy services on education during their negotiations with government officials.[3]

[3] Interviews conducted in the Spring of 2007 with leaders from different SNTE's sections confirmed the "multiple instruments of rewards and persuasion" that allowed them to enjoy the *support* and *generosity* of their members (Confidential interviews, January 2008).

The development of teachers' unions in Latin America parallels the expansion of education systems in the early twentieth century. Unions were an attractive and natural instrument for governments to implement the policies of educational expansion developed during the 1950s and 1960s (Grindle 2004). Most teachers unions developed partisan linkages and were key players for several governments' support bases. These relationships allowed unions to develop the powerful portfolio of sticks and carrots mentioned previously.

As political entrepreneurs, teachers' union leaders understand the importance of a relationship with the political party in government, but at the same time diversify their risks. Therefore it is common practice to keep the door open for eventual negotiations with new parties that may eventually assume power. The diversification of political risks---or if this is seen as a political investment, the diversification of political assets---multiplies in decentralized and partially decentralized systems, where different levels of government have responsibilities in the education sector. Under circumstances in which political parties control distinct governments at different levels, the position of a teachers' union strengthens with respect to the education authorities, especially in the case of a unified union. Education authorities that belong to governments of different parties can hardly develop trust mechanisms that could help them in their negotiations with teachers. This coordination problem leads them to avoid sharing information (e.g. the terms of negotiations on salaries and benefits), puts them in constant competition to take credit for successful measures on education policy (e.g. the construction of new school or the

renovation of the schools' infrastructure) or to avoid blame and transfer responsibility to another government level when negative events take place (e.g. the extension of teachers' strikes, or the poor performance of students in standardized tests). Unions perceive this problematic relationship and use it to their benefit. Therefore, rather than seeing a strong and loyal relationship between teachers' unions and political parties, we observe partisan linkages of teachers' unions that are politically diversified.

According to the enrollment figures, primary education is the biggest level in the education sector. Taking into consideration the extent of membership or union density, teacher unions at the primary education level are stronger compared to the teacher and professor organizations at the upper secondary level and public universities. When the monopoly conditions of unions disappear or are absent, then their negotiation capacity erodes, given that they begin to compete for members and resources. In the case of union fragmentation as it occurs in some upper secondary systems such as the Mexican one, coordination among teachers is harder to achieve because the conditions of the monopoly of representation become more fragile. The multiplication of union representations weakens their bargaining power toward the education authorities. Governments take advantage of the competition of interests in order to privilege political allies, while punishing and disregarding the demands of unfriendly unions and nonunionized teachers. A similar phenomenon occurs at the university level, with a multiplication of unions whose membership is attached to their institution and not encompassed in a single national union. However, although university unions are fragmented and smaller unions

occupy a weaker position when influencing educational spending, students are potent allies to pressure politicians for additional resources for higher education and this compensates by increasing their influence with politicians at this education level. Organized students are a second potential constituency to be served by political parties.

Overall, the organizational capacity of the teachers union at the primary education level consolidates its strength. As I pointed out previously, the portfolio of sticks and carrots guarantee teachers some force at the same time the union density augments their capacity to disrupt the economy, provides them with more resources to influence political campaigns and lobbying, and strengthens their power to extract preemptive concessions from government policy makers (Hicks and Swank 1984; McGuire 1999).

In contrast, student organizations and parent associations have weaker institutional arrangements that can contribute to their mobilization. These less robust resources do not preclude their having potential strategies to challenge the education authorities and to conduct an active defense of their demands. However, these collective groups are social movements, and do not have the institutional strength or the constant provision of resources such as that observed in other interest groups such as unions, to shape education policy. As Sidney Tarrow has noted, social movements "seldom possess selective incentives or constraints over followers, nor are they bound by institutional routines, and therefore leadership has a creative function in selecting forms of collective action" (Tarrow 1998).

Students in public universities are traditionally intermittent political actors. In Latin America they tend to be more politicized in comparison to the individuals attending upper secondary schools or private universities. In order to assert their claims and appeal to new constituencies, student movements mount contentious challenges through direct action against elites and authorities. In comparison to teachers' unions, student organizations lack the resources and constant access to the state that could facilitate a broader and permanent spectrum of political activities, such as the ones observed with the teachers' organizations. They demonstrate under favorable political opportunities with the purpose of defending common purposes when they feel aggrieved, and trust that their demands will be satisfied by acting collectively (McAdam, MCCarthy, and Zald 1996).

However, students' shared interests are much more dynamic in comparison to the recurrent demand of higher wages and more generous benefits that characterize teachers' mobilizations. In places where universities have been granted autonomy by governments, students mobilize to defend that autonomy when they perceive authorities try to influence the teaching policy of their institution. They take to the streets to challenge policies that increase the requirements for admission. Students rally to promote and protect political rights and civil liberties, etc. In the case of tuition fees, Latin American public universities are characterized by generous subsidies and even in some cases automatic admission privileges if applicants come from a certain group of high schools. Most of their students come from middle class families, and as consequence, the opportunities to achieve advanced education accrue most frequently to those already

endowed with privileges. It is important to highlight that frequently middle class children study in private primary and secondary schools, although at the tertiary education level only the wealthiest ones are capable of continuing their education in private institutions. The rest of the students that continue their education do it in public universities (De Ferranti 2003; Lopez-Acevedo and Salinas 2000). The subsidies at this education level are literally middle class entitlements that organized students strongly defend when governments attempt to reduce them.

The Mexican experience is illustrative in this regard. During the last two decades, the federal government has attempted three times to increase the tuition at the National Autonomous University (UNAM). For more than thirty years, students have been paying twenty cents of a peso as their annual tuition. Large and protracted student demonstrations have derailed the proposals for policy change. Similar demonstrations have been observed in Germany and the United Kingdom by students who oppose changes in the universities' fees. Once subsidized fees or free tertiary education has been granted, policy changes to modify tuition are extremely complicated because of the students' protests.

In sum, when political circumstances are favorable (e.g. when authorities' capacity to repress manifestations is weak, when students have the solidarity and support of other social or political actors, when common grievances activate a shared identity and student organizations are capable of consolidating "connective structures" among their members), then student protests are more likely to occur and shape government's

decisions in the educational sector. Under these circumstances, governments are more likely to buy the support of organized students in order to avoid or end costly protests while simultaneously pursuing their political support.

In the case of organized parents, teachers' unions are traditionally wary of active parents' associations that could dispute their control of the teacher hiring and firing process (Moe 2011). They have opposed any active role by parents in the supervision and evaluation of teachers. The asymmetric information on students' performance between teachers and parents also plays in favor of the former. The transaction costs for teachers to get involved in school organizations are much lower compared to the parents. Moreover, parents organizational structures are weaker compared to the institutional protections of robust unions. They lack the economic resources to develop horizontal structures that could help them coordinate nationally to function as a homogenous actor in their relationship with education authorities and teachers. Parents are more likely to organize at lower education levels, and typically play a much less relevant role at higher levels of education.

Contrasting primary and secondary education, it could be expected that these associations are likely to be stronger at the primary educational level than at the secondary. There are studies documenting that the probability of parents' involvement in their children's academic affairs diminishes as they grow older. In other words, parents' involvement is weaker when students are in secondary compared to when they are in the primary schools. Given the age of the students in secondary schools (between 13 and 17

years old), we can assume that parents are not as involved in their children's school performance as they are at the primary level because students in the adolescent years begin to take their first steps toward greater independence from their parents, and therefore are less likely to be enthusiastic about direct interventions from them in their school performance and about parents' potential interaction with their professors (Dornbusch and Ritter 1988; Eccles and Harold 1993 p. 75). Moreover, there is evidence that parents themselves think that they have more influence over their children when they are in the elementary schools than when they reach adolescence (Freedman-Doan et al 1992). Even from the teachers' perspective, it is less likely that they expect any significant interaction with their students' parents at the secondary level compared to what is observed at the primary level. Therefore, in general it is possible to assume that parents are less engaged in their children's school activities and as a consequence their associations at the secondary level are weaker compared with their counterparts whose children are in primary education.

Considering the organizational characteristics of the different beneficiaries of public education spending, it is possible to establish an ordinal classification of their collective action capacity that influences governments in the distribution of resources in this sector. In this ordinal classification, a higher value highlights a more powerful collective action capacity of the actors compared to lower values. As can be seen in this classification, it is expected that actors at the primary education level have the highest

collective action capacity, while actors at the secondary level are the weakest in terms of their collective organizing capacity.

Table 2.1 Collective Action and the Distribution of Educational Spending

	Primary/lower seondary education	Upper secondary	Tertiary education	Expected distribution of spending
Parents	2	1	0	1st. Primary and lower secondary
Students	0	1	2	2nd. Tertiary
Teachers	2	0	1	3rd. Upper seondary
Total collective action	4	2	3	

From the previous discussion, I propose the following hypotheses:

Union strength and overall education spending.

2. Public education spending will be contingent on the mobilization capacity of the actors in the education sector. Overall education spending will be higher in states where this capacity is greater.

Union strength and the distribution of resources across education levels.

3. The stronger the union at the primary education level relative to the other levels, the higher will be the share of the budget going to this sector.

Mobilization capacity and tertiary education spending.

4. The more combative the university unions and the student organizations, the greater the resources that governments will channel toward tertiary education.

2.2.4 Political parties and education spending

In democratic regimes political parties are key vehicles for the representation of voters' preferences. They allow politicians to overcome collective action problems and make agreements possible through which policies are implemented (Aldrich 1995). As summarized by the political scientist Schattschneider "democracy is unthinkable save in terms of parties" (quoted in Aldrich 1995 p.3).

The study of political parties and their influence in policy-making has a long tradition in the political economy literature of Western Europe. Essentially this literature has argued that although all political parties prefer policies that maximize economic growth in order to improve their constituencies' welfare and augment their electoral strength, there is a clear difference in the policies they implement in government to achieve this goal. On the one hand, left-wing governments are seen as relatively more concerned with distribution and therefore tend to favor economic policies that imply a bigger role for government, with a special emphasis on fighting unemployment. In contrast, right-wing parties tend to be more fiscally conservative, privilege balanced budgets and focus on keeping inflation low (Bradley et al. 2003; Cameron 1984; Cusack 1999; Garrett 1998; Hibbs 1977). They prefer to improve productivity through stronger private sector control of investments. Left leaning parties have stronger linkages with labor unions and therefore have contributed to the expansion of social policies beneficial to these constituencies. In contrast to right-wing governments which tend to place more

trust in market mechanisms for the provision of social benefits, left-wing governments tend to be more generous in the provision of social services; they tend to expand the welfare state by universalizing social welfare programs. Finally, Christian democratic parties in OECD countries are found to privilege generous welfare states, but with a less inclusive and redistributive profile. They rely more on private provision of social services (Huber, Ragin, and Stephens 1993; Huber and Stephens 2001).

In the case of education, Carles Boix has provided evidence that in OECD countries left-wing governments allocate more resources for human capital to raise the productivity of labor and the competitiveness of the economy, while the right-wing governments reward capital to accelerate economic growth (Boix 1997, 1998). More recently, Ben Ansell (2008) has examined the education spending of OECD countries between 1960 and 2000. His results show that in the case of education, partisanship matters. Consistent with the assumption that left governments are more concerned with distribution issues, in his cross-national analyses he finds that these parties favor higher levels of educational spending.

In this literature, scholars of advanced Western democracies assume that the linkages of accountability and responsiveness between voters and political elites are mainly programmatic appeals and policy achievements. Political parties are assumed to provide policy packages that help voters to map political parties on an ideological spectrum in which the labels of left and right are information shortcuts that summarize the policy proposals and stances of political parties (Hinich and Munger 1994).

However, there is abundant evidence that the linkages between politicians and voters in most developing countries (but not exclusively in them) are characterized by exchanges of selective material incentives through networks of direct exchange (clientelism) (Kitschelt 2000). Domestic politics in these contexts is characterized by clientelistic practices. As a method of electoral mobilization, clientelistic networks provide material goods in return for electoral support, conditioned on a criterion of distribution in which the patron makes all the efforts to verify that the electors deliver their promised votes (Stokes 2007). The assumption of a programmatic competition then is a problematic one in environments in which clientelism is a normal way of conducting political life, such as occurs in Latin America.

Within these countries, the welfare state is much more conditioned by these clientelistic practices. Such practices can potentially reduce the importance of partisan differences in terms of the welfare public provisions. Moreover, as Kitschelt points out, "for democracies from India to much of Latin America, clientelist politics has constituted the functional equivalent of the welfare state, appeasing the have-nots to abide by political orders that tremendously advantage the haves" (2000).

Therefore, taking into consideration these caveats, it is necessary to qualify the role of partisanship over social policies. In the case of Latin America, political parties have more volatile electorates and have been considered to be less institutionalized compared to their counterparts in advanced democracies (Mainwaring and Scully 1995).

Moreover, the policymaking in the region has been influenced by international financial dependency and balance of payments constraints. Several scholars have argued that under these circumstances, domestic politics is subordinated to international economic pressures, technocratic expertise and political insulation, thus undermining democratic accountability and responsiveness (Agüero and Jeffrey Stark 1998; Oxhorn and Ducatenzeiler 1998).

Nonetheless, there is evidence that such arguments lack empirical support. Domestic politics do matter and political parties do have an impact on the policies implemented by governments. Compared to right-wing governments, leftist parties have been more capable of implementing restrictive macroeconomic reforms that affect labor interests (Murillo 2001), and there is evidence that economic performance in the region has varied in response to partisanship (Remmer 2002).

In the case of education, Murillo and Ronconi have shown that the militancy of teachers' unions in the Argentine provinces diminishes when the governors and the unions are of the same party (2004). In a cross-national study of 15 Latin American countries Kaufman and Segura provide evidence that "popular based parties" squeeze investments in human capital, probably to protect pension spending (2001).

In a series of articles, Huber, Stephens and colleagues have argued that despite the little programmatic cohesion of political parties and their frequent clientelistic practices, (Ameringer 1992; Ames 1995; Mainwaring and Torcal 2006), there is still a space in public policy for ideological preferences to make a difference. Consequently, bringing

the logic of the aforementioned literature on OECD countries, they argue that left-wing parties are also more concerned with redistribution and in consequence, are expected to privilege social spending. Nevertheless, the empirical evidence is far from conclusive to support these statements (Huber, Mustillo, & Stephens, 2008; Huber, Francois Nielsen, Jenny Pribble, and Stephens, 2006).

Partisanship is expected to be less relevant in the allocation of public resources toward primary education, but influential in the distribution of funds across the other educational levels. Political parties make allocation decisions contingent on the constituencies they serve and the influence of the organized actors in the education sector. Traditionally, many studies of democracy and redistribution have assumed that the middle classes support right-wing parties, while the poor vote consistently for the left (Lipset et al. 1954). Therefore, intuitively we would expect that in developing countries where the poor is the biggest social group that attends public education, left leaning parties would be more likely to support primary and secondary education spending while conservative right-wing parties would privilege higher education. But this conventional wisdom needs to be empirically tested. There are two kinds of arguments that could lead us to believe that this assumption does not hold in contexts of unequal democracies with a relevant segment of the population still trapped in poverty, such as it occurs in Mexico. On the one hand, if we consider the size of the middle class in a society with such characteristics it is possible to suggest the hypothesis that right-wing parties do need to canvass the poor in order to broaden their electoral support base. They compete for the

votes of the poor with leftist parties.[4] Spending on primary education can be an effective way to do this, given the high number of users that this public education level encompasses. Therefore, I argue that partisanship will not be relevant for education spending at the primary level.[5] On the other hand, consistent with the previous section – most of education spending goes to salaries and therefore the biggest beneficiaries of it are teachers- teacher unions are expected to diversify their alliances with political parties. This diversified "political investment" will drive education spending decisions at the primary education level and will influence parties' resolutions on public resources toward education.

In the case of secondary education, I would expect right-wing parties to support higher levels of spending than their counterparts on the left. The organizational core of the right is the business community, which in order to be competitive in world markets, is

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[4] John Huber and Piero Stanig offer a different explanation for the poor's support for the right. The poor have a greater propensity to support right-wing parties in countries that are ethnically heterogeneous, rich, low in urbanization, and low in party-system polarization. Moreover, it is necessary to distinguish between poor religious voters and poor secular voters. In countries that are relatively religious, wealth, urbanization and state entanglement with organized religion is expected to have a large impact on levels of support for right-wing parties .

[5] Recent evidence provided by Diaz-Cayeros, Estevez and Magaloni reveals that in the recent Mexican election, the PAN candidate, Felipe Calderon, benefited electorally among the urban poor from two social programs aimed at them, Oportunidades and Seguro Popular. Moreover, during the last months I conducted fieldwork in Mexico that offered preliminary evidence that could lead me to support this hypothesis. On December of 2006, the new Mexican president from the right-wing conservative party PAN sent a budget proposal in which important resources for public universities were cut. This proposal was strongly opposed by the opposition, mainly by the leftist party PRD. In a personal interview with Mexican congressmen, PRD legislators argued that it was necessary to guarantee free access to everyone to public universities and therefore voted for additional resources for them. In contrast, legislators from the PAN argued that the state had a fundamental compromise with development and the poor, and therefore given the scarce resources, the Mexican government should prioritize primary education. Interestingly, a legislator from the PAN accepted that nobody was pushing for additional resources for upper secondary education. "They are too dispersed and nobody listens to them. Given the income disparities in this country, we should support the poor, not the rich". Finally, after strong pressures from the presidents of public universities, the Congress modified the budget proposal and reestablished additional resources for public universities. (Personal interview with Mexican congressmen on December 22, 2006).

interested in having at least a minimally educated labor force. Therefore, it is reasonable to assume that parties on the right will have incentives to emphasize the provision of secondary school services in order to satisfy their core constituencies.

There is growing evidence that private universities have increased their number in Latin America, serving important segments of the middle class (Levy and Castro 2000; De Ferranti 2004); therefore we can assume that the incentives for right-wing parties to privilege funding to this education level have diminished, given its middle class constituency. Moreover, as I argued previously, overall rightist parties are weaker supporters of social spending, and would cut expenditures in those areas with lower political costs for them. Given that the public universities in Latin America have traditionally been bastions of the left and the cradle of leftist activism, they represent a potential area where right-wing governments could reduce social spending without affecting the segment of the middle class that traditionally support them. These middle class students attend private universities and would not be affected by lower resources in public higher education.

In sum, in the case of primary education there are two competing hypotheses to test:

Partisanship and spending for primary education.

5a. Left-wing parties spend more on primary education compared to right-wing parties.

Partisanship and spending on tertiary education.

5b. Left-wing parties spend more on tertiary education compared to right-wing parties.

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2.2.5 Conclusion

Reviewing the literature on democracy and the provision of pubic goods, in this chapter I have argued that if electoral concerns play a role in governments' expenditure decisions, then as elections become more competitive, budgets for education will increase, particularly in the education levels with broader social benefits, such as primary and lower secondary education. Nevertheless, the influence of elections over education spending must be qualified. As has been discussed, the assumption of the median voter (prominent in the literature of the political economy of education spending) has downplayed the distributional considerations that accompany the allocation of resources across education levels. Furthermore, the literature has disregarded the role of organized interest groups in the education sector and the way they influence the budgetary allocations of funds for education.

Thus, the main hypotheses being tested here suggest that these groups have different organizational capacities to express their demands in the streets and to effectively use their power of collective action to extract resources from elected authorities. Taking into consideration the differences in their collective action capacity, teachers' unions are expected to be the most powerful group driving the allocation of resources in education. Finally, consistent with previous findings on the comparative

literature on the welfare state, I emphasize that ideological differences of parties on government also do play a role in education spending.

Nevertheless, once again a qualification is in order. Under contexts of unequal income distribution and persistent important levels of poverty, political parties from the entire ideological spectrum are likely to have incentives for attracting poor voters and to compete for their electoral support. If this is the case, and taking into consideration that primary and lower secondary education levels are particularly beneficial to the poor, then the role of partisanship is likely to fade away in determining the budgets for this education level. In the following chapter, I test these hypotheses using the 31 Mexican states as the empirical setting of the analysis.

3. The decentralization of education policy in Mexico

3.1. *Introduction*

The decentralization of education in Mexico has been a long, difficult and incomplete process that has lasted four decades. The decentralization of basic education has a long history of stop-and-go attempts that were systematically curtailed by the teachers' union (SNTE). It consisted of several policies that have transferred the administration of the enrollment, the teachers, the administration staff, the school and other infrastructure resources of the basic education system –preschool, primary, and lower secondary- from federal to state control. In the process, the federal government developed four rounds of efforts to finally put the subnational governments in charge of the educational systems in the aforementioned level, while at the same time kept several powers that allowed the federal government to influence key aspects of the educational system. During this period tensions between the federal authorities and the teachers' union have been recurrent and have been resolved through a series of economic concessions and benefits for the teachers who have reluctantly accepted the process, but have been paradoxically the main beneficiary of it.

The decentralization of social services such as education –and eventually of health care systems- was a consequence of more reduced federal budgets for social spending and not a policy response for demands from governors or mayors pursuing a stronger role in the design and implementation of these services in the country (Grindle

1996). Scholars have traditionally emphasized the leading role of federal authorities in the implementation of this policy who decided the pace and depth of its implementation.. As one specialist on Mexican federalism wrote "the central government, after all, decides why, where, what, and how to decentralize" (Rodríguez 1997 p.8). Nevertheless, as will be analyzed and discussed in this chapter, the decentralization of education policy shows that the decision to transfer responsibilities toward subnational governments was influenced by a key interest group – the teachers' union- that modified the content of these decentralization efforts to model the process in such a way that their interests would not be affected by the efficiency goals that motivated its implementation. Consequently the decision of the central government to decentralize education was more much circumscribed by political allies such as the teachers and their union than the traditional approaches in the study of federalism in Mexico have been willing to accept (an exception is the work by Carlos Ornelas 2008).

While decentralization of education had as one of its original purposes to weaken the SNTE (Foweraker 1993; Ornelas 1995; Stansfield 1992), the final result of its implementation showed the political muscle of the union which not only impeded the enactment of policies that could have fragmented the union or increased accountability for the performance of teachers in Mexican schools, but strengthened the union power over education by gaining more economic prerogatives, benefits and control over schools in exchange for accepting education reform.

The chapter is organized as follows. First I describe the long journey of the decentralization of education in Mexico. I provide a brief account of the history of the education system that emerged after the Mexican revolution. The teachers' union in Mexico was born out of the need to centralize education in order to expand the education services for primary and secondary school in the country. Rapidly, the SNTE became a pillar of the corporatist governance structure that characterized the hegemony of the PRI. I argue that the political positions occupied by the secretaries general of the union show the union's political power and how the PRI valued its capacity to mobilize voters. Systematically the union strengthened its position by colonizing both the federal education ministry and the few subnational education structures. I show how on the different rounds of education reform, the teachers' union had a de facto veto power over the content of policy proposals that intended to decentralize educational services. During five decades the union was systematically successful in preventing policies that could have fragmented it.

Second, I show that in the decentralization of education approved in 1992 the SNTE was the main political actor brought to the negotiation table by the federal authorities. The reform was possible due to a combination of four factors: 1) the concession of economic benefits to the union and the implementation of Carrera Magisterial, a program that restored the teachers' salary that had eroded during the economic crisis of the eighties, but that strengthened the union control over its members; 2) the preservation by the SNTE of the monopoly over teachers' representation; 3) the

political leadership that the president had over the governors in a growing competitive but still authoritarian system; 4) the provision of additional conditional transfers for subnational governments to finance their new educational responsibilities.

Finally, I discuss the consequences of the decentralization for education spending and the new political dynamics that emerged as a consequence of this process. I show that although the SNTE was the main opponent of the decentralization of education, it paradoxically finished being its main beneficiary by using its political influence to delineate the contents of the education reform of 1992.

3.2. Antecedents: The development of a national educational system and the teachers' union

In the early decades of the twentieth century, primary-level education was a responsibility of the municipalities, while secondary-level education and the training of teachers were under the jurisdiction of the states (Murillo 1999 , 38; 2001, 122; Ornelas 1998 , 324). Until that time, schools had been created largely as a result of municipal efforts. In the last quarter of the nineteenth century, about 65 percent of the schools were under municipal jurisdiction, 28 percent belonged to private associations and the church, and only the remaining 7 percent were under either state-level or federal jurisdiction (Arnaut 1998 , 47).

After the Mexican revolution, the education system in Mexico was fragile and hardly developed. The number of people without instruction was high. The country faced

an enormous challenge of increasing the enrollment in elementary school in order to educate a population that was overwhelmingly illiterate. Consequently, the federal government started in the 1930s a centralizing strategy (known ironically as the federalization of education) for developing a national educational system. Except for some states which had had the resources to develop their own educational systems (Chihuahua, Mexico, Nuevo Leon, Veracruz), most of subnational governments lacked the fiscal capacity to finance the structure of an adequate educational system for their citizens. This situation led the federal government to take the leading role in the provision of education services in the country.

The National Secretary of Education (SEP) was created in 1921 at the initiative of José Vasconcelos, initiating a process of expansion of the national educational system and centralization of policy-making authority. The *federalization of education* was based on rural teachers who had just finished elementary school and lacked an academic formation in the teachers' training colleges. In the early stages (1920s) there was a conflict between these rural teachers promoted by the federal government and the teachers who had graduated from the training colleges known in Mexico as Escuelas Normales[1]. These *normalistas* were part of the few existent state educational systems. Normalistas were reluctant to accept the expansion in the number of teachers who did not have the same training as theirs and that could endanger their privileges with the state

[1] The *escuelas normales* were part of the states' educational systems. The State of Mexico and Veracruz were two of the few Mexican states with a long tradition in this type of schools.

authorities. The federal authorities extended the teachers' colleges for rural teachers to overcome their poor academic formation. During the late thirties, as the corporatist structures in Mexico began to be a key element in the governance structure of the hegemonic party, the federal government pushed forward actions to incorporate teachers in a single national union that would eventually become the most relevant actor in the corporatist coalition linked to the regime.

President Lázaro Cárdenas understood the importance of labor politics for consolidating the electoral and political alliances in the country which would guarantee the monopoly of power to the hegemonic party. The political relevance of unions was highlighted when after arriving to power, Cárdenas developed a strategy to escape from the political influence of the former president Plutarco Elías Calles. Calles had kept control over his successors in a period known in Mexican history as the "Maximato" and pretended to continue being the strong man behind doors during the Cárdenas' administration. In the strategy to end the Maximato and to consolidate the presidential power, the president relied on the support of the unions and peasant corporatist structures. Teachers became a key element on the corporatist arrangement that characterized Mexican politics during the following years of the authoritarian dominance of the PRI regime (Bensunsán and Cook 2003, Collier and Collier 1991, Meyer 1996, O'Donnell 1979).[2]

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[2] The PRM, predecessor of the PRI was organized around four sectors that grouped together millions of Mexicans into peak-level functional associations: 1) a military sector which eventually would disappear when the PRM was transformed into the PRI; 2) the workers sector through the Mexican Confederation of Workers (Confederación de

In December 1943 the federal authorities supported the idea of creating a national teachers association, and eventually maneuvered in favor of a monopolistic and centralized nationwide union. The union arose from the merger of the Union of Education Workers (SUNTE), the Mexican Union of Teachers and Education Workers (SMMTE), the Autonomous National Union of Education Workers (SNATE), and the Union of Workers of Mexican Education (STEMRM), plus other small groups (Avila Carrillo and Martínez Brizuela 1990 p.23). In order to guarantee that corporatism would be a strong political pillar of the regime, the federal authorities established a clause in the labor law by which for each public sector institution only one union was officially recognized. The SNTE was legally the teachers' union with the official representation of all federal teachers.

As the federalization of education continued, the SNTE gradually consolidated its power over the education system. In exchange for electoral votes provided by the union, the government agreed to give economic benefits to teachers, and conceded the gradual but persistent colonization of the education system to its leaders. As the Mexican education scholar, Alberto Arnaut (1998) has pointed out, in the evolution of the education system in the twentieth century the main change observed between the aftermath of the revolution and the early sixties was that a system characterized by

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Trajadores de México – CTM); 3) the peasants sector through the National Confederation of Peasants (Confederación Nacional Campesina – CNC), and 4) the popular sector with the different bureaucracy unions organized in the Federation of Unions of State Workers (Federación de Sindicatos de Trabajadores al Servicio del Estado - FSTE). Teachers were one of the largest members of the popular sector.

multiple employers' (some subnational governments with their state educational systems and the federal government) and multiple employee organizations (some of them in state teachers' unions) evolved into a system with a growing role of one single employer –the federal government through the education ministry (Secretaría de Educación Pública – SEP) - and one single employees' organization, the National Education Workers Union (Sindicato Nacional de Trabajadores de la Educación – SNTE) with teachers in a few states organized in separate state teachers' unions that maintained a political alliance with the SNTE. (Arnaut 1992, 2010).

The SNTE emerged as a monopolistic and centralized union from the merger of four education unions and several smaller groups (Murillo 2001, 122). Although the union had sections in all the states, its central national office -the National Executive Committee (Comité Ejecutivo Nacional)- became increasingly powerful under the umbrella of Mexico's corporatism.

The role of teachers as key actors in the electoral machines of the PRI needs to be understood in a context of a considerable large rural population such as the one that characterized Mexico in those years. In 1950, 57.4 percent of the total population lived in communities smaller than 2500 habitants (INEGI, 1950). In communities of such characteristics, the role of teachers as a respected and influential authority was relevant. Moreover, the rural teachers supported by the federal authorities were not only a key instrument for expanding enrollment in primary education, but also were instruments for promoting a nationalistic education through a discourse that legitimized the PRI as the

authentic and historical heir of the Mexican revolution (Aguilar Camín and Meyer 1995; Middlebrook 1995).

As the unions' membership grew considerably, the political alliance between the authoritarian regime and the union created an increasing challenge for the governability of the educational system. The SNTE began to conquer different positions in the education ministry and eventually capture its structure. School principals, scholar supervisors, directors in the central offices of the education ministry in charge of policies such as teachers' training and the distribution of textbooks, up to superintendents, all became positions in hands of the union. The central committee of the SNTE collected mandatory membership fees (equivalent to one percent of all teachers' salaries) and controlled the negotiations with SEP about salaries, recruitment, teacher postings, and influenced the teachers' careers in the educational bureaucratic ladder. The increasing power of the teachers' union provoked concerns among the authorities. Jaime Torres Bodet, minister of education from 1943 to 1946 wrote in his memoirs at the end of the fifties:

> "In 1921 Vasconcelos fought for the federalization of education. In 1943 I naively thought that the firm unity of the teachers' union would contribute to improve the federalization pursued by Vasconcelos. But in 1958 I realized that from an administrative point of view, the federalization was not convenient…The unity of the teachers' union did not seem to favor positively the quality of teaching among its members… We had lost contact with what happened in

> thousands of schools… Our direct informants were supervisors who, as members of the union, covered up faults and absentees by their fellow teachers, given that they knew that in the long run it would be more beneficial to be in good terms with their union leaders than with the education authorities" (my translation from Torres Bodet (1959) cited by Arnaut (1997 p.69)).

But as precise, crude and frustrating Torrres Bodet's words might have been for the governability of the education system, what was also true is that simultaneously to their privileges in the education structure, the union contributed politically to the discourse of legitimacy of the PRI in the schools and electorally as effective mobilizers of voters. Several union leaders were awarded political posts as recognition of their political value. Such positions contemplated the whole range of the political system: high positions in the education ministries, representatives both in the federal and local legislatures, senators, mayors and even governorships. As in can be seen in the following table most of the secretaries general of the SNTE have had relevant political institutions.

Table 3.1 Political office held by Secretary Generals of the SNTE 1943 – 2012[3]

Name	Period as secretary general	Political positions
Luis Chávez Orozco	Dec 43 – Jul 45	Under-secretary of education (1936-1938)
Gaudencio Peraza Esquiliano	Jul 45 – Jan 46	n.a.
Jesús Robles Martínez	Mar 49 – Nov 52	Federal congressman, Colima (52 – 55)
		Senator, Colima (64 – 70)
		Secretary general, FSTSE (64 - 65)
		General Director, BANOBRAS (65 – 76)
Manuel Sánchez Vite	Nov 52 – Nov 55	Federal Congressman, Hidalgo (55 – 58)
		General attorney in Hidalgo
		Senator, Hidalgo (64 – 70)
		Governor of Hidalgo (69 – 70, 72 – 75)
		President of the PRI (70 – 72)
Enrique W. Sánchez	Nov 55 – Nov 58	Local congressman in Durango (50 – 59)
		Federal congressman (58 – 61) and (64 – 67)
		Secretary of Education in Durango
Alfonso Lozano Bernal	Nov 58 – Nov 61	n.a.
Alberto LariosGaytán	Nov 61 – Nov 64	Senator (64)
		Secretary of Political Action, CNOP (61 – 65)
		Major of Manzanillo (79 – 81)
Edgar Robles Santiago	Nov 64 – Dec 67	Federal congressman, Chiapas (67 – 70)
		Member National Council PRI (64 – 65)
		Senator from Chiapas (70, 75-76)
		Secretary general, FSTSE (68-70)

[3] The secretary generals were considered the leaders of the union.

		President of Labor Congress (70)
		General director, ISSSTE (70 – 75)
Félix Vallejo Martínez	Nov 67 – Feb 71	n.a.
Carlos Olmos Sánchez	Feb 71 – Sep 72	President of Labor Congress (71-72)
Eloy Benavides Salinas	Sep 72 – Feb 74	n.a.
Carlos Jongitud Barrios	Feb 74 – Feb 77	Secretary of organization, CEN PRI (70 – 76)
		Senator (76)
		General director ISSSTE (76 – 80)
		Governor of San Luis Potosí (79 – 85)
		Senator (88 – 91)
José Luis Andrade Ibarra	Feb 77 – Feb 80	Federal Congressman, Baja California Sur (79 – 82)
		Secretary of Social Action, CEN PRI (79 – 80)
		President Labor Congress (79 – 80)
		Secretary International Affairs, CEN PRI (81)
Ramón Martínez Martín	Feb 80 – Feb 83	Secretary of Social Action, CEN PRI (81 – 82)
		Senator, Jalisco (82 – 88)
Alberto Miranda Castro	Feb 83 – Feb 86	Federal congressman, Baja California Sur (82 -85
Antonio Jaimes Aguilar	Feb 86 – Feb 89	Secretary of Social Action , CEN PRI (86 – 88)
José Refugio Araujo del Angel	Feb 89 – Apr 89	Federal congressman, San Luis Potosí (79 -82)
Elba Esther Gordillo Morales	Apr 89 – Feb 95	Federal congresswoman, State of Mexico (79 – 82)
		Under-secretary of organization, CEN PRI (84)
		Federal congresswoman, Mexico City (85 – 88)
		Senator, Mexico City (Chair of Education Committee) (97 – 00)
		General secretary of PRI (02)
		Federal congresswoman, Mexico City (03-04)
Humberto Dávila Esquivel	Mar 95 – Mar 98	Local congressman, Coahuila (82 – 85)

		Major of Ciudad Arteaga, Coahuila(85 – 87)
		President local committee in Coahuila, PRI (99 – 00)
		Federal congressman, Mexico City NA (09 – 12)
Tomás Vázquez Gil	Mar 98 – Mar 01	Delegate Coyoacán, Mexico City (95-96)
		Senator, Mexico City (Chair of Education Committee) (00 – 06)
		Federal Congressman, Mexico City, NA (06 – 09)
Rafael Ochoa Guzmán	Dec 00 – Jun 11	Federal Congressman, Mexico City(03 – 06)
		Senator, Mexico City, NA (06 – 12)
Juan Díaz de la Torre	Jun 11 – current	Sub-delegate Public Participation Coyoacán, Mexico City (95 – 96)

Three examples illustrate the political power of the union's leadership. Manuel Sánchez Vite (general secretary of the SNTE between 1952 and 1955) was federal representative, senator, general attorney in his home state Hidalgo and finally governor of the same state. When he left his leadership position in the teachers' union, his former private secretary Carlos Jongitud Barrio, assumed the position. Jongitud had also a strong political career and was compensated for his electoral services to the regime. Like his predecessor, Jongitud was also a congressman, served two times as senator, was general director of the Social Security System for the State Workers (ISSSTE), and governor of San Luis Potosi. The new leader who replaced him, Elba Esther Gordillo, has also a long political career, as three time federal congresswoman and one time senator. As a corollary of the SNTE political power, the teachers' union in the late 1980s controlled 16 seats in the Federal Congress, 42 seats in the state legislatures, more than

100 mayoral offices and had control over the most important positions in the federal education structure and in the structures of the existent subnational ones (Grindle 2004).

Although the political alliance between the PRI and the teachers' union was strong, it did not mean that it was always smooth or that the union had established a level of dependence that would force its leaders to accept educational policies potentially dangerous for their privileges. This was evident in the teachers' union resistance toward decentralizing education policy in Mexico, resistance that effectively translated into actions that boycotted several policy proposals by education ministers since the early 1970s.

3.3. The teachers' union and the decentralization of education.

The decentralization of basic education has a long history of stop-and-go attempts that were systematically curtailed by the SNTE. With the growth of the educational system during the forties and fifties, the authorities began their first attempts to restructure its operation. In 1958 there was a first proposal to transform the posts of school principals and education inspectors from unionized workers to political appointees. These political appointees would be directly controlled by the authorities and would therefore be responsive to them and not to the union. Nevertheless, the SNTE leaders opposed this measure and after several street protests, were able to persuade authorities to abandon their initiative (Arnaut 1994).

Education in Mexico continued highly centralized in several key aspects. Curriculum and teaching materials were determined in Mexico City, as were hiring,

promoting, and firing teachers, salaries of all personnel, the distribution of funds to local schools, and school location and construction activities. Teacher formation and training was also a centralized task. Moreover, when the national system of free textbooks was established in the late 1950s, the federal government's role cemented (Grindle 2004, Ornelas 2010). With these growing tasks on the hands of the central authority, the efficiency in the provision of education eroded. The arguments for the decentralization of the educational system increased because the SEP was seen as an obese and inefficient bureaucratic structure with an inadequate capacity to respond to the educational needs at the local and state levels. The ministry of education was in charge of a large budget even bigger than some subnational budgets. Its structure was penetrated by the union which controlled several decision-making positions in SEP and the operation of schools. Every aspect of the educational policy –from the design and planning of educational services to their provision and evaluation- was undertaken by the SEP and the SNTE. The first became the largest federal bureaucracy in the Mexican government, and the second the largest union in Latin America (Trejo and Jones 1998).

A second round of efforts to restructure the education system occurred during the early seventies with very limited progress due to what would become a recurrent pattern in the union leaders' strategy: delay the policy proposals in the negotiations and take advantage of other critical situations in the education sector in order to condition union's support toward the authorities in exchange of abandoning proposals dangerous for their political control. The authorities tried to recover the aforementioned positions of school

principals and school supervisors while simultaneously introduced new free textbooks for elementary and secondary schools.

Parents' associations and business sectors opposed the content of these textbooks (Loaeza 1981). Moreover the regime had just repressed violently the students' movement in 1968 and had also used repressive measures against railroad workers (1958 – 1959) and doctors (1964 – 1965) who had protested against the regime demanding better salaries and democracy in their respective unions and representative organizations (Pozas Horcasitas 1993, Meyer 2000). Likewise, the process of the presidential succession had started with the former interior minister Luis Echeverría as PRI candidate. The union understood the political moment and the authorities' weakness. A potential national conflict with teachers could be politically destabilizing for the regime. Moreover, the federal authorities wanted to avoid any larger coalition between teachers and other unsatisfied groups in the country. Understanding this situation, the union persuaded the government to abandon the proposal of retaking control over these key positions in the structure of the educational system in order to avoid any further social conflict.

In spite of these derailed efforts, the education authorities continued their attempts to deconcentrate the system. In the early 1970s, the SEP created nine regional units for the decentralization of educational services. In every state there were additional units dependent on the regional ones. Despite these new regional and state offices, the federal authorities kept control in Mexico City over important areas such as the General Directorship of Primary Education which was in charge of the administration of all

federal primary schools and teachers (Arnaut 1998 p. 266, Trejo 1995 p.120). Problems in the efficiency of the educational system remained. For example, all paychecks were issued in the central offices in Mexico City, which resulted in painful inefficiencies for the educational system. A new teacher, for example, was expected to wait up to a year to receive her first payment check (Álvarez 1992; Pardo 1998 p.26).

The decentralization of education was pursued one more time in the early 1980s. President López Portillo attempted to deconcentrate education toward the subnational governments though thirty one delegations of the SEP in the states. His education minister Fernando Solana Morales (1977 – 1982)[4] understood the need to curtail the power of the union, and as his predecessors, the imperative need to recover the control of the structure to be responsive to the authorities. Solana appointed well-respected people such as prestigious former governors, teachers, community leaders, and former delegates of the Federal Committee for the Construction of Schools, who responded directly to him (Prawda 1984, p.202, Prawda 1987 pp.215 - 251). Moreover, the tension with the union grew given the first attempts of emphasizing measures to improve the quality of education for which it was necessary to recover the aforementioned positions in control of the union and to restructure of the teachers' formation and training systems.

The new delegates seemed to work at first. Each delegation put under its single command more than 15 federal offices. As Arnaut described "the delegations *created a*

[4] Solana was education minister two times. First during the Lopez Portillo's government (1977-1982), and second with Carlos Salinas (1993 to 1994).

new political arena, whose dominant – and almost exclusive – actors were no longer the union representatives and federal directors and supervisors in the states, neither the national union members, nor the central authorities in the SEP . In the new political scenario, the local union representatives had to deal with the new authorities of the SEP in the states, with the local governments, and with area managers who previously did not have any interaction among themselves" (Arnaut 1998 p. 274, Ornelas 1995).

The resources in control of the new delegations increased considerably. While in 1979 they operated 1.6 percent of the SEP budget, in 1982 they had direct control of 56 percent of these resources (De los Reyes 1988 p. 116). But the teachers' union managed eventually to put pressure over the authorities and requested that the delegates were named through a consensus process between authorities and the union. These demands created tensions with the union over time. Manuel Bartlett, minister of education in the Salinas' administration (1989 – 1992) remembered that when he arrived in office the union demanded a majority of the delegates' positions, something that contributed to the federal government's conviction of developing measures to limit the political power by the union (interview with Manuel Bartlett June 2007). Eventually the union was able to advance their demands by local protests where delegates were not in union hands. At the end of Lopez Portillo's administration as well as De la Madrid's term, nearly forty percent of the delegations were in hands of union leaders (Arnaut 1999 p.77).

During president's Miguel de la Madrid, the education minister Jesus Reyes Heroles, who was convinced of the persistent inefficiencies in the SEP, persuaded the

president to continue the efforts to decentralize the system. Reyes Heroles had been the interior minister and had a stronger style for pushing this reform against the will of the union. The government made a proposal of strong decentralization, with the specific initiative to transfer the education services and the teachers' labor relationship of the basic education and teachers' training colleges from the federal government to the states (Arnaut 1999 p.71). Government officials were convinced that better educational services would be provided if decisions were made at the local level, based with more reliable information and a better understanding of the subnational political circumstances (McGinn and Street 1986, Ornelas 2000).

In his inauguration speech De la Madrid announced the decision to transfer to state government the administration of preschools, primary, secondary and teachers' colleges education. In the National Plan for Development 1983-1988 the authorities established that "The decentralization of education would be a key instrument to ameliorate and eventually eliminate the persistent inequalities between regions and citizens. It will strengthen federalism and would promote regional development" (Presidencia de la República 1983 p.234). The government was cautious and tried to overcome the union leaders' reluctance toward decentralization by explicitly recognizing that "in the process of decentralization the union rights will be absolutely guaranteed" (Ibid p.234). Moreover, in a National Congress organized by the SNTE, the education minister pointed out that "the decentralization must be done and will be done, but *with*

the teachers; *without their participation this policy would be condemned to failure*. Together we will plan it and execute it" (Reyes Heroles 1985 p.28).

The government formed a mixed commission with SEP and SNTE representatives to analyze the decentralization proposals. A presidential decree transformed the delegations into institutions to be decentralized called Units of Educational Services to be Decentralized (Unidades de Servicios Educativos a Decentralizar, USEDES). SEP authorities amended these organizations to be state coordinating agencies of educational services, and each governor was authorized to appoint the director general. The public announcement of this proposal rapidly unified both the institutional leadership of the SNTE and the union dissidents' movement against a policy perceived as a common threat that could endanger the unity and survival of the union. Despite the attempts to persuade the SNTE, the union opposed a radical decentralization of educational services. This policy could mean the fragmentation and consequently the weakening of the union.

Moreover, some governors perceived as unattractive a proposal of such nature. It is necessary to remember that during these years (1982 – 1988) all governors belonged to the PRI, and that despite the so called party discipline, the reluctance of some of these local politicians to accept the decentralization of education was real. This resistance might be explained by their fear of receiving neither the economic nor the political resources to perform their new responsibilities. Governors considered that in case of conflict with the teachers' union sections they would not have the political tools such as strong police forces to control marches or the economic resources to buy off their

support. Or it could be that the political benefit from accepting the administration of these educational services seemed unclear (De los Reyes 1988). Bilateral agreements with the states were proposed to transfer the responsibility for education, but only 14 subnational governments accepted: Aguascalientes, Baja California Sur, Campeche, Colima, Guerrero, Jalisco, Michoacán, Morelos, Nayarit, Puebla, Querétaro, Quintana Roo, Tabasco, Tamaulipas, Tlaxcala, Sonora, Yucatán, and Zacatecas (SEP 1986 p.94). All of these states –with the exception of Jalisco- had either all their educational services provided by federal teachers or had small state educational structures.

Unfortunately, the minister died and the efforts of decentralization faded away with a new minister characterized by a much more conciliatory style in his relationship with the SNTE (Ornelas 1997). The effective veto capacity of the union in a system where the president was considered the strong political man, its successful resistance in an environment where the hegemonic party had all the governorships, large majorities in both federal chambers, and most of the mayor positions and local congress seats, revealed very clearly that the union was undoubtedly a strong political actor in the Mexican political system during the authoritarian years. The political importance of the SNTE for the PRI was real. As mentioned previously teachers were effective mobilizers of votes, and formed near fifty percent of the popular sector of the party. This political influence combined with the capture of the education system structure, allowed the union leaders to resist effectively changes in the governance of the education system. By 1986 the union

kept control over 40 percent of the SEP delegations in the states. The decentralization of education had failed one more time.

3.4. The National Agreement for the Modernization of Basic Education (Acuerdo Nacional de Modernización para la Educación Básica – ANMEB)

When president Salinas arrived in office, the economic model of import substitution that had been the developmental strategy between the early sixties and early eighties was exhausted. De la Madrid had already started a series of efforts to advance a process of economic restructuring (Lustig 1998). Salinas was convinced that the reform efforts had to be stronger and faster in order to create a new export-oriented development paradigm, a smaller role for the state in the economy and a more efficient operation of the government. Education reform would be one of the elements of this reforming strategy (Salinas 2000).

Reforms in public services such as education seemed favorable for citizens' welfare. On the one hand, with the increasing competitive elections that began during the late 80s and early 90s citizens would be capable of monitoring more closely local politicians, and consequently would make them more accountable than national politicians (Blair 2000). On the other hand, as an extensive body of research on decentralization suggests, devolving power to local governments would increase efficiency in the delivery of public goods and services while allowing governments to be better informed about the needs of their citizens (Oates 1999, 1972; Bardhan 1997; Bird

1993; Campbell et al. 1991; Tiebout 1956). The decentralization of basic education continued to be a government priority and a top-down initiative to increase the state and local roles in the provision of this service (Bird 1993). The decentralization of expenditure responsibilities in education, as in occurred in other government areas, would be mainly a consequence of federal unilateral decisions (Cabrero and Martínez 2000).[5]

Moreover, the need for educational reform came in a context in which the most serious problem in the system was not access to education, but its quality and equity. Although Mexican authorities claimed to spend 3.7 percent of GDP on education in 1990 (12.8 percent of total government expenditure), the internal efficiency of the education system was low. In the case of primary education only 86 percent of enrollees were reaching fifth grade while 9 percent of students were repeating grades (Schmelkes 2000). Some 15 percent of teachers in the system did not have officially the adequate qualifications for their jobs (Grindle 2002). There were no systematic standardized tests, but the few that had been implemented suggested a very poor quality of education in Mexican schools. This information was not made public but some specialists involved in the implementation process of the exams denounced the failures of the education system. Gilberto Guevara Niebla, a Mexican education specialist summarized this situation as a "silent catastrophe" (Guevara Niebla 1992).

[5] As it has been described previously other views point out the federal government had been overwhelmed with the growth of the education system, and that in order to solve the inefficiencies that had multiplied considerably, federal authorities decided to push forward a project of decentralization that had been in the planning since the early eighties. See for example Arnaut (2010).

Salinas appointed Manuel Bartlett, who, like Reyes Heroles, had been former Minister of the Interior and a hard-liner who could oppose the SNTE and its long-term leader, Carlos Jongitud Barrios. Salinas had arrived in power in the middle of a controversial election against Cuauhtémoc Cardenas, former governor of Michoacán who had abandoned the PRI to run as presidential candidate of a coalition of left parties. Jongitud Barrios had been the de facto leader of the teachers' union for more than two decades, and clearly would be an obstacle to the reform (interviews with Manuel Bartlett, former interior minister and education minister with President Salinas, and with Olac Fuentes Molinar, former undersecretary of basic education). He had opposed the previous decentralization attempts, had pushed forward the influence of the union in the selection of the appointees for the SEP delegations, and had expressed publicly the importance of keeping education as a national endeavor.

The decentralization reform would occur also in a context of numerous and intense protests by the teachers' union dissidents. As a consequence of the debt crises in 1976 and 1982 teachers' salaries had eroded considerably, and although the control of the central committee of the SNTE over its members was strong, it was not enough to avoid several protests and demonstrations by teachers in different parts of the country. The dissidents of the union had grouped together in a radical left oriented organization known as the "Coordinadora or CNTE" National Coordinating Committee of Education Workers, which initiated large protests demanding higher salaries and the removal of Jongitud's dominant political group Vanguard Revolutionary. Large demonstrations

were seen in Chiapas, Oaxaca and mainly in Mexico City. Angry primary and secondary teachers claimed that their wages had declined by 63 percent between 1982 and 1989 (Cook 1996 p.268, Silva Ruiz et al 1996). The political importance of Mexico's capital city made dissidents' contestant actions particularly noisy and provided them with the adequate clout to receive attention to their demands (Fowekarer 1993, Cook 1996).

The executive committee of the SNTE had maintained control over the internal life of the teachers' sections in the states. The SNTE leadership had constantly maneuvered to influence the local electoral processes and constrained the local sections decisions by keeping control over the distribution of the union finances. This situation fueled rank and file discontent. Independent forces organized democratic union elections. Taking advantage of the conflict between the SNTE and SEP authorities by the 1978 deconcentration, these dissidents were capable of gaining the leadership of the union's sections in Chiapas, Oaxaca, and Mexico City. Later they would expand their influence over other states, including Guerrero, Michoacan and Morelos (Fuentes 1983). As teachers' salaries continue eroding with the hyperinflation that accompanied the economic crisis of the early 1980s, more members joined the dissident movement. After the controversial presidential election of 1988 they showed their political muscle with massive mobilizations in Mexico City and in the aforementioned states.

During the following months, strikes, mass demonstrations, sit-ins, and marches by teachers dominated the political scene. In 1989 according to the authorities, between February and May, Mexico City experienced "41 marches, 18 meetings, 60 assemblies of

union locals, six national assemblies, four forums, two walkouts (one of six hours and another of 17 days), six sit-ins (three covered 15 working days) and 32 sessions of negotiations" (Presidencia de la República 1994 p.132 quoted by Grindle 2002 p.8). In April, a half million teachers participated in a 26 day work stoppage. Millions of children were affected. Parents and university professors joined the teachers' protests in a large demonstration on April 17. The period between February and May 1989 was chaotic. The CNTE had intensified its protests, the SNTE leadership was trying to control them while former loyal members of the union started to join the dissidents' movement, and the ministry of education condemned the situation but was incapable of returning teachers to classrooms (Avila Carrillo and Martínez Brizuela 1990).

Salinas' decision to accelerate the process of decentralization was particularly reinforced after a serious of accusations that some groups of these dissident teachers provided electoral support to his political rival Cuauhtemoc Cardenas. The insinuation of an electoral challenge by members of the corporatist structure of the PRI was not tolerable for the new president, who witnessed how the leader of the teachers' union was being not only disloyal but incapable of controlling the members of his organization. Bartlett was particularly aware that the decentralization efforts had been derailed several times previously as a consequence of Jongitud's boycott actions and of his political group Revolutionary Vanguard. Extreme actions needed to be taken in order to stop this chaotic situation, actions that eventually favored the implementation of the education reform. Salinas decided that in order to placate the SNTE's opposition, it was necessary

to force Jongitud's resignation and replace him with a new leader, loyal to the president and capable to recover control over the union.

Another dissident within the corporatist PRI allies had been Joaquin Hernandez Galicia alias "La Quina", the leader of the oil state company union (PEMEX). The PEMEX workers had also actively supported Cardenas' presidential campaign. As one of the first actions to demonstrate political strength, Salinas sent the army to the oil leader's house and put him into jail under suspicious charges of murder and possession of illegal weapons. The actions against *La Quina* persuaded Jongitud and his followers of the convenience to accept the government's request to step aside for the arrival of a new leadership in the teachers' union. After a meeting with Salinas on April 23, 1989, Jonguitud was forced to resign. Three weeks later, the government and the union agreed to a 25 percent increase in teacher salaries. For some time, teachers' protests ameliorated and they returned to the classrooms.

Elba Esther Gordillo, member from another SNTE internal fraction, replaced Jongitud. Gordillo was a moderate union leader with strong presidential support. By request of Salinas, Gordillo ended the formal affiliation of the union to the PRI.[6] She would be persuaded to cooperate with the governments' proposal of decentralizing the education. Salinas announced in his *Program for the Modernization of Education* (1989 – 1994) that "the educational system will be decentralized… The decentralization is a

[6] One of the constant complaints by the dissident teachers had been that their leaders pressured them to support the PRI. Consequently the termination of the formal link with this political party allowed the new leader to show that her arrival would mean a different way to conduct the political relationships of the union with the federal government.

recognition that the local community could contribute with an *original life* to the education… The centralized framework has exhausted, and therefore is costly and inefficient" (Presidencia de la República 1989 cited by Arnaut 1999 p.79).

Salinas had been minister of planning and budgeting (1982 – 1988) and was consequently aware of the challenges with the teacher' salaries negotiations. He knew that as had occurred with other public employees, the proposals for change in the public administration of the education system would be resisted by teachers. The international experience had also warned about the potential reaction of workers in the public sector. Several studies on the process of structural reforms in Latin America had underscored the resistance by public employees to the governments' attempts to restructure the public administration. Consequently, as had occurred in other countries that had undergone a process of decentralizing education, teachers in Mexico were expected to fight against a proposal perceived as dangerous for their salaries and benefits (IADB 1996 p.290). As Hanson pointed out:

> …the likely opposition of powerfully organized teachers' unions is one of the central problems facing decentralization reforms in Latin America. This opposition is based on the fear that decentralization will break up national collective bargaining, reduce teacher power, and, consequently, result in declining salaries and working conditions. Based on the historical experiences in such countries as Argentina, Chile, and Mexico, the fear is not without justification (Hanson 1997 p.9).

Taking advantage of the previous failed experiences, and removing the leader who had opposed the previous decentralization proposals, Salinas created the political conditions to advance his project. Paradoxically several of the remaining subnational leaders of the teachers' union sections who had arrived to their local leadership positions under Jongitud's support, saw in Salinas' decentralization proposal a potential survival strategy. They considered that under decentralization they would be able to avoid the influence of the new leader and eventually strengthen their control in the state union's sections. They feared being removed by Gordillo, and they were right. In order to calm down the teachers' protests, she allowed dissidents to enter the national leadership by introducing proportional representation. Eventually she would operate to get rid of the old *jongitudistas* leaders and replace them with her followers to retake control over the union.

Federal government officials thought that complementary to the more efficient system that could emerge with decentralization, this policy would be politically beneficial for its relationship with the teachers' union. Decentralization could be an effective tool to cope with the growing dissidence among teachers (CNTE). The CNTE claimed to have a membership of 300,000 teachers and demanded changes in government policy and union practices. If the system were decentralized, it was argued, it would be possible to confine the dissidents to the states where they had influence –Chiapas, Guerrero, and Oaxaca mainly- while renewing their political alliance with the SNTE (Ornelas 2000 p. 429). Gordillo needed to bring order and coherence to the union by incorporating the dissidents

and weakening the Jongitud's machine. During the two following years, she consolidated her power in the central committee maneuvering in the elections of the unions' sections, incorporating some of the members of the dissidence to the central committee, and extending the tenure of her leadership (Loyo and Muñoz 2003).

Although the new union leaders owed her political post to the president, Gordillo faced the challenge of controlling the union's members, especially in a context of the aforementioned growing discontent among dissidents and even among some loyal members of the central committee. The critical situation required measures to gain legitimacy among its ranks for the new union leadership. Therefore, as part of the educational reform package, Gordillo demanded additional resources and benefits in exchange for taking teachers off the streets. This is particularly relevant, because as will be analyzed closely in the next chapters, the protests, sit-ins, hunger strikes and other disruptive actions by teachers would have a relevant impact on the distribution of budgets for education.

Consequently, the union's demands were a *sine qua non* condition for the new leadership to accept the governments' proposal for decentralization (Benavides and Velasco 1992). The cabinet members were divided about the steps to follow for achieving the desired decentralization. The hard-liners, led by the education minister Bartlett, considered that it was necessary to take advantage of the change in the union's leadership to finally push forward a policy that eventually would fragment the SNTE in thirty two sections corresponding to the 31 states and Mexico City. Taking advantage of

the internal conflicts between teachers, he recovered several of the delegations' positions from the hands of the union. However, there were other cabinet members led by the mayor of Mexico City, Manuel Camacho Solis, who opposed the fragmentation of the union. He had presidential aspirations and, according to several interviews, established a political alliance with Elba Esther Gordillo to persuade the president to keep the unity of the teachers' union in exchange of future electoral support for his candidacy. The coming intermediate federal congressional elections of 1991 also played in favor of the union's position. Its support was required for the Salinas administration to recover the congressional majorities needed for implementing constitutional reforms to keep advancing his modernization strategy. The PRI had lost the two thirds majority required for constitutional reforms in the previous elections in 1988. The new central committee of the teachers' union continued opposing completely the idea of any fragmentation of their structure and started a series of measures to weaken Bartlett's position. Eventually, Salinas opted for a decentralization arrangement without the fragmentation of the union and removed Bartlett from his cabinet and substituted him with Ernesto Zedillo.[7]

After three months of intense negotiations with the union in which salary and benefits concessions were made, Zedillo and Gordillo reached an agreement. In May of 1992, the federal government signed the National agreement for Modernization of Basic Education (ANMEB) with the 30 state governments and the National Union of Education

[7] As compensation, Bartlett was the PRI candidate for the governorship of Puebla. During his government he had a particularly harsh relationship with the teachers' union section who demanded control over the state educational structure and that Bartlett opposed without much success.

Workers[8]. With this political agreement, federal authorities returned several responsibilities for the administration of the school system in the basic education level and of the teachers' training colleges (*escuelas normales*). All schools and teachers in the preschool, primary and secondary levels would be administered by the state authorities.

The ANMEB increased the complexity of the education system given that the new legal framework, the General Education Law, did not establish with enough precision the responsibilities for each government level in several matters. The law was particularly vague about the responsibilities for financing education. In the analysis of this legal initiative, Congress highlighted as one of its virtues that the new legal framework established a concurrent obligation of funding education and that the proposal explicitly considered that "there would be growing budgets for public education" (Cámara de Diputados 1993). Nevertheless, the legislators dismissed the absence of a criterion to define the corresponding funding responsibilities of each level of government. In the case of middle and tertiary education they established a shared responsibility for providing these educational services but did not clarify the way each authority would serve these levels. In the case of basic education, the federal government through the Education Ministry (SEP) kept the legal power of defining the education curriculum and the content

[8] The only opposition governor was Ernesto Ruffo (Baja California) who refused to sign immediately the agreement, and only did so seven months later after long negotiations with the federal government for additional resources for financing the educational system. Baja California was already investing heavily from its own revenue in the finance of its educational system. Ruffo wanted to be sure that he would have enough resources to sustain the new educational responsibilities.

of the material to be taught in the basic education schools. Moreover, it kept the power to define the content of the public textbooks distributed freely in all schools in the basic education level. It also maintained the jurisdiction over other major relevant policies, such as teachers' training and evaluation. On the other hand the states received the legal mandate of providing all educational services for basic education and teacher training colleges.

The new education law guaranteed the recognition by the state governments of all teachers' labor rights, improved their salary structure (which particularly benefited primary-school teachers), and gave teachers priority for receiving public housing. Given that the agreement emphasized the national character of the educational system, the negotiation of wages remained centralized –one of the key conditions of the SNTE leadership to accept the education reform- but the benefits portion of the salaries would be negotiated by the state section of the union and the governors. Rhetorically Gordillo promised that the teachers were not going to be involved in partisan politics. In her discourse during the signature of the ANMEB she said "the leaders of the union sections or the leaders of the national central committee will not be able to combine their union responsibilities with their partisan duties nor with popular elected positions. There will be no excuse to mix up the responsibilities of the partisan arena with the duties of the education workers" (cited by Latapí 2004 p.40). But as it will be shown in the following chapters, the union has continued to play a political role as an electoral machine first serving the PRI and eventually, with the democratization process, has diversified its

political alliances and gained electoral muscle to the point of creating its own political party.[9]

Finally, in a sign of strength, the SNTE through its federal deputies was able to incorporate a change in the new education law through which teachers became exempt from any potential sanction considered under this law. In the article 75, section XII the new law establishes: "The considerations of this law (on which the sanctions for violating the legal framework were established) are not applicable to the education workers, because the faults that they could eventually commit will be sanctioned according to the specific rules applied to them". The principle of equity in the rule of law was explicitly violated through the new legal framework (Blanco 1995).

The ANMEB and the new education legal framework benefited the union. As the SNTE's leader underscored the union accepted the decentralization of education because: "in its spirit and content (the decentralization agreement) has a clear *recognition of the leading role that teachers* have for the transformation of education in Mexico. It is a *compromise between the federal government and the subnational authorities to improve the salaries for workers in the education sector*, it establishes a state educational system to improve the formation of teachers and develops a teachers' training system…. The agreement responds to our request to establish an evaluation based pay system (Carrera

[9] As it has been pointed out Gordillo was federal congresswoman three times by the PRI (1979 – 1982, 1985 – 1988, and 2003-2004) and senator (1997 – 2000). As senator she was the chair of the Education Committee.

magisterial).. and because the *SNTE is recognized as the unique representative of the labor relationships of the education workers in Mexico*" (Gordillo 1992).

Table 3.2 Responsibilities over basic public education in Mexico

Federal government

1. To define the national curriculum for basic education and teachers' training colleges
2. To define the national school calendar.
3. To draft the free textbooks and distribute them in all the schools in the country.
4. To authorize the use of any complementary textbook for basic education.
5. To define general guidelines for the use of teaching materials.
6. To regulate a national system for education, training and professional upgrading of teachers.
7. To establish the pedagogical requisites of curricula for private pre-schools.
8. To regulate a national system of credits and educational equivalents.
9. To establish a national register of all schools in the educational system.
10. To design guidelines for the Councils of Social Participation[10]
11. To prepare the planning, programming and evaluation of the national system of education. To establish the guidelines for the evaluations that the state authorities decide to undertake.
12. To coordinate the cultural relations with other countries.
13. To develop the necessary measures in order to guarantee the national character of the basic and training teachers educational institutions.

[10] The Councils for Social Participation are similar to Parent Teaching Associations formed by parents, teachers and school principals. These organizations can develop measures to contribute to the safety of the schools, they can discuss pedagogical practices developed in the classrooms but are *explicitly forbidden* to be involved *in any labor issue of the teachers* or to encourage any religious activity in the school community. See articles 69 to 73 of the General Education Law.

State government

1. To provide all educational services for basic education and teacher training colleges.
2. To propose the local contents to be considered for their addition in the state educational plans for the basic education system, the teachers' training colleges and the courses for professional upgrading of teachers.
3. To adjust, if necessary, the school calendar to local needs.
4. To provide in-service training and professional upgrading for teachers in accordance to the guidelines by the SEP.
5. To approve, deny or revoke the authorization to the private sector to create and operate basic education and teacher training services.

Shared responsibilities

1. To promote and provide educational services in all the additional levels different from the aforementioned services in basic education, teachers' training colleges and courses of professional upgrading for teachers.
2. To determine and formulate curricula content for all the educational levels different from the mentioned previously.
3. To acknowledge studies done abroad according to the guidelines of SEP.
4. To approve, reject or revoke the recognition of educational studies provided by the private sector different from basic education, teachers' training colleges and professional upgrading of teachers.
5. To publish books or other educational materials beyond the official ones.
6. To provide library services in order to support the national education system, to promote the innovation in the education sector and the scientific, technological and humanistic research.
7. To promote the research in education.
8. To encourage the development of technical education and technological research
9. To promote cultural and physical activities.
10. To oversee the enforcement of the General Education Law.

Source: General Education Law (articles 12, 13 and 14).

3.5. Consequences of the decentralization of education

With the education reform 163,000 primary and secondary schools, 22 million teaching materials and school equipment, 513,000 teachers' positions, and 115,000 administrative workers were transferred from the federal education system to the state administrations (Moctezuma, 1994).[11] The state authorities started to be in charge of providing school service to 14 million students that up to then had been studying in federal schools.[12] Moreover, the SEP authorities promised the continuation of national programs to compensate poor regions the most.

Although the decentralization of education transferred the administration of educational services in the basic education level and teachers' colleges to the subnational authorities, the SNTE continued controlling several decision-making positions both at the federal and state levels, including the operation of schools. Gordillo embraced a new political discourse with the purpose of reestablishing the image of the SNTE as an actor in favor of educational reform and not as an obstacle to advancing the quality in this sector. She emphasized that the union as a social actor had the legitimate right to be an active voice in the design and implementation of education policy in Mexico (Loyo 1997).

[11] The management of the schools in Mexico City continued under the responsibility of the Federal government because the city is not legally considered a state.
[12] In order to clarity the dimension of the new subnational responsibilities it can be considered that the number of students transferred to the subnational governments was equivalent to the combined enrollment of students in these education levels in Costa Rica, Ecuador, Uruguay, Peru, Bolivia and Paraguay together (Latapí 2004).

The decentralization of education produced a new dynamic in the negotiations of teachers' salaries that eventually played out in favor of the union. The two stage process for the negotiation of salaries and benefits strengthened the union vis-à-vis their government counterparts –federal and state authorities- and eventually would create additional pressure on educational budgets –federal and subnational ones. The education reform fragmented the government control over education, allocating, as it has been shown, different powers to the federal government and the subnational authorities.

However, by keeping the monopoly of the teachers' representation in the SNTE, the union was capable of exploiting coordination problems that emerged between the two level governments. This situation is particularly evident in the case of vertical divided government. Neither the federal authorities nor the state ones trust each other and do not share complete information of the terms agreed in their negotiations with the union. Furthermore, in the education ministries, both federal and state, there is a regular rotation of the main authorities while several of the general directors are part of the union. In fact, several state education secretaries are former or current union members. Finally, as has been pointed out, the union conducts two rounds of salary and benefits negotiations with the education authorities. First, through a special commission from the national executive committee they negotiate with the federal education authorities, the finance ministry and staff of the presidency a national teachers' salary increase. Second, this same commission with the cooperation of a second committee formed by the state union section leaders carries out a second round of negotiations with the subnational authorities

where additional benefits, such as paid vacation days, the Christmas bonus and the number of days to be considered for the end of the year bonus (aguinaldo), are determined.[13]

As part of the political agreement with the governors, federal authorities provide complementary funds for financing the new responsibilities of the states as administrators of the school system. These resources were intended to reduce the reluctance of certain governors to accept their new educational responsibilities (article 27 of the General Education Law, Interview with Esteban Moctezuma, former undersecretary of Basic Education, January 2011). These resources would be complemented by the states' contributions.

Several concerns and challenges accompanied the education reform of 1992. The union not only was successful in keeping its unity, but also obtained both an important salary raise for its members (Murillo 1999 p.44), and a major economic concession from government: the teachers' compensation program known as *Carrera Magisterial*, and a new scheme to promote upward mobility. In theory, the program was developed as a strategy to reward economically the teachers with the best teaching performance and practices. However, as it occurred with other educational programs, the union conditioned its acceptance to the establishment of a mix commission with 50 percent

[13] The *aguinaldo* is a complementary payment for all workers in the formal sector in Mexico distributed at the end of the year. The federal labor law establishes in its article 87 that "workers will have the right to receive an aguinaldo which has to be paid before December 20th, and must be equivalent at least to 15 salary days". Nevertheless, all teachers' sections have at least 45 days.

representation by the federal authorities (SEP) and 50 percent representation by the union. The proficiency examination for teachers proposed by the federal government as part of the evaluation in Carrera Magisterial was finally approved by the union when seniority was also incorporated in the teachers' compensation scheme.

The program was rapidly captured by the union and had a minor impact on improving the quality of education in Mexico. Moreover, this program was an effective control instrument for the union's central committee to keep loyalty among its members (Santibañez 2002, 2005)[14]. The teachers that join the Carrera Magisterial receive meaningful material rewards, ranging from 27 percent to 224 percent of their basic salary. These benefits accrue for retirement.

The SNTE leaders were also concerned about the salary differences between federal and state teachers. Traditionally federal teachers had higher salaries and state union sections demanded equalization schemes to accept the new decentralization policy. Eventually these demands would translate into teachers' mobilizations and pressures over educational budgets both for the federal and the state governments. Teachers pushed firmly for changes in their salaries and benefits to receive the same compensation as their colleagues. In other states, the teachers who mobilized were eventually the one who had been under federal control. In some states such as Nuevo León, state teachers had better benefits than their federal colleagues who wanted the same compensation. Furthermore,

[14] The proficiency examination that had been disputed furiously by the union was in practice diluted. As part of the evaluations, the principal's school is required to evaluate the teachers' performance. As both the principals and school supervisors are active members of the union, the space for an impartial evaluation disappeared in practice.

there were several states that did not have the administrative capacity for taking over the transferred educational systems (interview with Carlos Mancera December 2007 and June 2008, and with Esteban Moctezuma January 2011).

But despite the challenges with the passage of the General Educational Law in 1993, the local educational authorities assumed new responsibilities that used to be in federal hands, such as: planning, hiring new staff, devising educational innovations, launching in-service programs for teachers, creating some infrastructure, publishing some textbooks, and above all managing the labor relationship with the teachers and the consequent administration of large educational budgets mainly funded by federal transfers (Ornelas 2000, 2010).

3.6. Conclusion

The decentralization of education in Mexico was a gradual process, with a series of advances and setbacks defined by the permanent conflicts and negotiations between the federal government and the SNTE. In the long journey for decentralizing this social policy governors played a marginal role in its definition while students and parents were not involved at all in the process. Legislators also played a minor role in defining the decentralization of education, despite being the actors formally in charge of approving the new legal framework that has regulated education since 1992. The teachers' union was the strong player with whom the federal government had to negotiate several concessions in order to advance the decentralization of the education services in Mexico.

The implementation of this policy was constantly delayed by the teachers' union due to its fear that such a policy would fragment its structure and eventually weaken its political power. Teachers resisted successfully several government attempts to decentralize education and finally accepted once they obtained the institutional guarantees that their union would continue with the monopoly of representation of the education workers and after getting larger salaries and complementary benefits that recovered the previous lost economic power of teachers. The SNTE as the strongest interest group in the education sector benefited twice from the education policies of the federal government. First the SNTE gained with the decision to centralize the education services in a period when the education system expanded by the intervention of the federal government. Federal authorities guaranteed a monopoly of teachers' representation to SNTE leaders in exchange for their cooperation to increase attendance in primary and secondary educational services. The power of the union grew hand in hand with the growth of the enrollment in basic education. Moreover, the SNTE was capable of colonizing the federal education structure and the few existent subnational ones due to its important electoral services as an effective mobilizer of voters for the PRI.

The veto capacity for several decades by the SNTE shows that even in authoritarian regimes powerful interest groups can extract generous rents for political support. This seems to be especially true in electoral authoritarianisms such as the one that existed in Mexico, where leaders require clientelistic machines to strengthen their political legitimacy and where teachers become attractive political allies.

The union benefited in a second moment when decentralization was finally implemented by getting compensation mechanisms such as Carrera Magisterial that increased salaries and benefits for its members but that did not endanger the SNTE's monopoly over teachers' representation not finished with its colonization of the education structure. The union was capable of influencing the implementation of education policies also by becoming active member of the new evaluation mechanisms for teachers. Once decentralization took place, and as democratization in Mexico advanced, the union took advantage of the political parties' electoral needs that competitive scenarios brought into place to move forward its interests. The decentralization of education weakened the governments' position as a whole by fragmenting its authority over teachers while keeping the monopoly of the workers' representation. Despite the existence of a relevant dissidents' movement (CNTE), the teachers' union worked together to defend its condition as the only representative of teachers' interests while getting better salaries and benefits for its members. The union was capable of expanding its control over new management positions in education. This growing control elicited administrators' loyalty to the union rather than to the SEP or to the new subnational education authorities (Street 1992; Cook 1996). Supervisors in the education system confirmed their dependence on the union and were perfectly aware that their careers would continue depending on their loyalty to the SNTE leadership rather than in their efficiency as authorities in the education ministries.

As democratic elections took root in Mexico, the union was capable of adapting to the competitive political conditions and in their negotiations with the federal government and the state authorities used its structure to gather and take advantage of complete information in its salary negotiations with both government levels. This new political game that started with decentralization is particularly beneficial for teachers under circumstances of vertical divided government.

Under scenarios where the president and the governor are from different political parties, the union can exploit the lack of coordination and trust between the two level authorities to be more effective in its economic negotiations. For example, when Francisco Barrio became governor of Chihuahua, he promised several changes to the state educational system. Once in office he named a secretary of education that did not belong to the SNTE and complained that there were hundreds of teachers that receive their salary but did not teach.

The tensions between the union and the state government deteriorated rapidly. Moreover, the local sections 8 and 42 defied the governor's control over the state educational system. Further, the section 42 formed by the state teachers demanded the same benefits and salaries as their colleagues from section 8. Section 8 teachers were formed by the teachers transferred by the federal government to Chihuahua. The pressures increased while the national negotiations for the yearly salary increase where held in Mexico City. The federal authorities did not cooperate with the Chihuahua government to control the protests that emerged in the state during these negotiations.

Interviews with former education authorities from Chihuahua indicate their lack of trust of their federal counterparts. They did not know what had been negotiated in the center in terms of benefits and salaries, and did not receive any advice from the education ministry staff to approach the salary negotiations with their local union sections. Eventually section 42 would receive additional benefits while at the same time teachers from section 8 demanded additional paid days for vacations and more generous loans for housing. The dilemma of cooperation between levels of government and the complete information of the union worked in favor of the teachers and put pressure on the Chihuahua educational budget.

Although the administration of the basic education level and teachers' colleges was transferred to subnational governments, several key policies such as teachers' evaluation, the definition of the curriculum, and the content of free textbooks remained in hands of federal authorities. Analysts of the education reform of 1992 have pointed out that given these characteristics, the education system in Mexico should be considered as a centralized education structure or at the best as a decentralized system only in administrative terms (Cabrero et al. 1997; Ornelas 2010).

However, despite the persistence of highly centralized features in the Mexican education system, the reform of 1992 changed the political dynamic of the relationships inside this social sector. The relationship between the states and the federal government, of the governors and the SNTE state sections, and the importance of education for subnational politics changed as a consequence of this reform. As it will be shown in the

following chapters, the state ministers of education gained political clout once they started to control considerable resources transferred from the center to the states. Although the decentralization of education was a top-down initiative implemented by the federal government, and despite the political leadership that the president had over the 30 PRI governors, the central authorities had to provide additional federal transfers to subnational governments in order to secure their compliance to the new system. As will be shown in the next chapter, the distribution of these federal transfers has followed a political rationale and not the objective criteria stated in the formulas for the allocation of these resources. Electoral and partisanship considerations influence the allocation of educational grants. Furthermore, consistent with teachers' capacity to influence education policy, I will show that as part of the new relationship between the states and the central authorities, and of the teachers and governors, SNTE's disruptive power does impact education spending. As governors have become targets for SNTE demands, new budget pressures have appeared at the state level. The capacity of the teachers' union to obtain resources from the federal government and from the subnational authorities through disruptive actions will be analyzed in the following two chapters.

4. The political economy of educational transfers in Mexico

4.1. Introduction

During the 1990s developing countries undertook a series of reforms to decentralize public services, among them education. In Latin America in virtually every country this process entailed some form of decentralization of educational services. These developments reflected the emergence of an international consensus favoring market-oriented economic policies and state sector reform, which ultimately led to the widespread adoption of decentralization as a fundamental principle of the restructuring of the state sector (Rhoten 2000, 601-603; Murillo 1999, 32-34). Policymakers and scholars argued that these decentralization strategies would improve the efficiency of the provision of public services by bringing the authority in charge of their provision closer to citizens' demands while simultaneously strengthening the democratization processes in these countries (Di Gropello 1999).

The expansion of subnational responsibilities required a new design of the spending framework that had dominated the education sector. In federal systems, like Mexico, where state governments did not have many tax powers and depended heavily on federal grants to finance their budgets, these new educational duties were accompanied by increased federal transfers. The question addressed by this chapter involves the criteria utilized in the allocation of these transfers. Are these educational funds

distributed following technical criteria, or do politics influence the distribution of these federal grants? Have organized groups been able to lobby politicians in charge of these funds? How do they make their demands heard in the process of the distribution of educational grants? Are these resources manipulated with coalitional goals? In sum, what are the politics surrounding the distribution of educational transfers to subnational governments?

The decentralization of education in Mexico shows how interest groups such as the teachers' union can take advantage of the new subnational education responsibilities while simultaneously pressuring the federal authorities for more benefits and higher salaries. The decentralization of education in Mexico was a long, difficult and incomplete process that lasted four decades from the early 1950s to 1992. When finally implemented in 1992, the education reform changed the subnational governments' responsibilities for education. In order to implement this decentralization, the federal government has distributed conditional transfers to the states so they could finance their new educational responsibilities.

In the allocation of these funds, federal authorities promised subnational governments that these new federal grants would be large enough to finance the new state educational systems, and would be compensatory for the poorer states that required additional resources to alleviate existent inequalities and other challenging social conditions. Conventional wisdom has emphasized that the allocation of these resources

was mainly influenced by an inertial dynamic which prevailed after a first distribution based on the size of the existent state educational systems in place before the educational reform of 1992. The hypotheses that I explore in this chapter challenge this view. I argue that the allocation of educational transfers in Mexico has followed a political logic influenced both by partisan considerations and politicians' responsiveness to the influence of organized groups in the education sector. Furthermore, while it is widely believed that electoral competition influences public spending decisions, in this paper I show that in the case of conditional grants under conditions of divided government, there is considerably less room for electoral manipulation. The results address a potential omitted variable both in the analysis of fiscal federalism and the provision of public goods, namely how organized interest groups such as teachers are capable of using their collective action capacity to drive the distribution of federal grants and educational budgets for their own benefit. Teachers' disruptive capacity along with the partisanship considerations shaping the relationship between the federal government and the subnational authorities are the main drivers of the allocation of educational grants to the states. Moreover, I show how the ability of the teachers' union to transform its political alliances with the PAN federal governments has increased the federal funds for education in comparison to the last PRI administration.

The chapter is organized as follows. First, I briefly review the literature on intergovernmental transfers. Second, I underscore the main characteristics of Mexico's fiscal federalism. Third, I review previous works on the distribution of federal

educational grants in Mexico. Fourth, I explain how the organized groups in the educational sector, especially the teachers' union, as well as partisan considerations drive the distribution of the educational grants. I show that states in which teachers and other actors of the education sector carry out disruptive actions such as protests, sit-ins and marches, tend to receive larger educational transfers from the federal government. Moreover, the empirical evidence provided in this work demonstrates that governors from a party different to the president receive more educational transfers compared with their counterparts of the same party as the president. Contrary to the conventional wisdom about federal educational transfers in Mexico, I show that beyond the inertial distribution of these funds, there are political considerations driving them. In the distribution of educational transfers in Mexico there is little evidence of a benevolent planner that compensates poorer states to fulfill their educational needs, but rather a political rationale with no redistributive considerations.

The findings are consistent with previous works that have questioned the distributional promises of the federal government when explaining the logic of educational grants. Sixth, I discuss how the political alliance between the teachers' union leader and the federal PAN governments has been a relevant factor for the growth of education budgets, including federal educational grants, since 2001. Finally, I conclude with a discussion on the implications of the findings for understanding the politics of education reform and educational spending carried out in new democracies such as Mexico.

4.2. The political economy of transfers.

In federal states intergovernmental fiscal transfers from the central government to lower-tier administrative units are crucial both for the efficient provision of public goods and services and for the political competition between parties (or coalitions) at different levels of government. In the distribution of these federal grants, central bureaucracies and finance ministry officials constantly use different normative arguments to justify their decisions on determining the level and allocation across states. From this normative perspective, there are at least three recurrent criteria used in these allocations: justice, need and equity (Bird and Smart 2002; John and Ward, 2001).

The public finance literature has analyzed the equity and efficiency concerns motivating the use of intergovernmental transfers but has ignored the political issues that accompany their design and allocation (Oates 1972; Musgrave and Musgrave (1989). Nevertheless, there is ample evidence in the political economy literature showing that governments use these transfers to obtain political gains. Some analysts have stressed that the central authority may abuse its spending power by imposing its policy goals, thus excessively intruding into local matters and undermining local autonomy. Furthermore, interest groups and subnational authorities may engage in lobbying activities to manipulate the allocation of these transfers in their favor. Intergovernmental transfers can be used as policy instruments for strategic governments to maximize their electoral position rather than equity concerns. Consequently, political considerations are constantly observed in the design and distribution of federal grants.

Although federations frequently have rules that shelter the distribution of intergovernmental transfers from political distortions, incumbent politicians at different layers of government keep margins of discretion for using these resources as a policy instrument for building alliances with other politicians or to favor groups of supporters. Moreover, the design of these rules is itself a result of a political process. The formulas of the distribution can leave room for political discretion, or even when they are binding, as Khemani has highlighted "national governments can turn to other fiscal instruments at their disposal, such as direct spending or financing deficits of subnational governments, to place funds for political advantage" (Khemani 2007).

The political economy literature on federal transfers has shown that politicians behave strategically when allocating these transfers. From the point of view of electoral concerns, the literature has found three different factors of voting influencing the distribution of public resources, whether as transfers to local governments or through direct spending in national programs. First, the degree to which voters are "core supporters" of the party in government at the national level shapes fiscal allocations. Second, swing districts that switch back and forth between government and opposition can anticipate receiving larger transfers to influence electoral outcomes. Third, allocations are influenced by the degree to which the electorate participates in elections and is informed about policies (Case 2001; Besley and Burgess 2002; Schady 2000).

The literature has examined extensively which is the supporting group targeted by the national ruling party. There is evidence supporting both sides of the argument, and the debate is far from being conclusive (Londregan 2006). Dixit and Londregan (1996, 1998) have emphasized the importance of swing voters for incumbent politicians who deliver welfare gains with the expectation that these groups can tilt an electoral outcome (see also Persson and Tabellinni 2001). In contrast, Cox and McCubbins (1986) argue that vote maximizing candidates who are risk averse will over-invest in their closest supporters, while only more risk accepting candidates will pursue "swing" voters. Johansson (2003) tests the hypothesis of Dixit and Londregan by analyzing the grant allocations in Sweden and finds support for the idea that the allocation of federal grants has followed a *swing voter* logic in that country. Stokes also argues in favor of the swing voter logic pointing out that "voters who are predisposed in favor of (a party) on partisan or programmatic grounds (-that is, its core voters) cannot credibly threaten to punish their favored party if it withholds (distributive) rewards. Therefore, the party should not waste rewards on them" (Stokes 2005 p.317).

Snyder (1989) analyzes two contrasting political goals: maximizing the number of votes that a party gets and maximizing the probability of winning a majority of seats. If the policymaker's objective is to maximize the number of votes received, transfers should be distributed to the districts where races are tight, or where voters are likely to be "swing". In contrast, if the goal is to maximize the probability of obtaining the largest number of seats –contingent on the electoral system that regulates the political system-

resources should be targeted to the core support districts because their support is necessary for the party to win the majority of legislators. Finally, parties can combine these two strategies in order to maximize votes and seats (Magaloni, Díaz-Cayeros and Estévez 2007). In this sense, politicians might follow an investment strategy making the allocation of expenditure contingent both to electoral risks and expected electoral returns (Diaz Cayeros 2008).

In addition to the effects of electoral competition on the allocation of federal transfers, the alignment between the two levels of government –that is, whether they belong to the same party /political coalition or not- has also been considered as a driving factor in the allocation of federal grants. Federal governments are expected to favor their political friends, and be less generous with their political enemies. For example, in India Arulampalam and his colleagues (2009) find that aligned states receive larger grants. In the US, there is evidence that states with governors belonging to the same party of the president receive more funds from the federal budget (Larcinese, Rizzo, and Testa 2006).

Complementary to the political considerations that might drive the distribution of federal grants, federal systems face a dilemma in terms of the policy objectives being pursued with these instruments. To the extent that federal governments have an interest in equity and regard the provision of public services such as education as contributing to national equity, it is expected that federal authorities would use policy instruments to advance in this direction. Conditional transfers are a common instrument for these

purposes (Boadway 2007). These grants are an attempt to close the fiscal gap between states, so differences in revenue-raising and expenditures responsibilities can be reconciled while minimum standards of key public services are ensured (Sato 2007).

Equity enhancing intergovernmental transfers may clash with political considerations. Federal systems face a tension between on the hand pursuing an equity enhancing agenda, and on the other hand recognize the different revenue-raising capacity of subnational governments before and after the fiscal agreement between states and the central government is established. In order to enhance equity in contexts where the tax revenue capacities of states vary, the federal government needs to push for redistribution by taking funds from the common pool to favor states with more limited resources. If this equity push is too strong, richer states have incentives to challenge the federal arrangement and in extreme cases opt out of it to avoid situations in which they finance the provision of public goods such as education in other states at the expense of their citizens. On the other hand, if federal grants do not follow a redistributive and compensatory logic, then the inequalities observed between subnational units will persist or even worsen.

Along with the electoral and partisan considerations, the role of interest groups must be considered in the analysis of the distribution of federal transfers. This is particularly true for transfers that are designed for a specific purpose with defined beneficiaries. This is the case of educational grants in Mexico. These conditional

transfers are allocated by the federal government to states with the single purpose of financing their educational services. Almost 95 percent of these resources are spent on salaries for teachers. The latter are interested in pressuring authorities to allocate larger budgets to serve their interests.

4.3. The Mexican fiscal federalism framework

Mexican fiscal federalism is characterized by the federal government's highly centralized tax authority and a growing decentralized expenditure capacity by states. The Constitution limits state authority by granting exclusive tax rights to both the federal government and municipal authorities. Moreover, articles 117 and 118 establish explicit tax prohibitions for states, such as internal and foreign trade. The federal government is responsible for taxes on income, foreign trade, mining, oil and its derivatives, financial institutions, forest exploitation, tobacco, and alcohol. Municipalities have the power of property taxes known as *predial* (Constitutional reform of Article 115 in 1983) and the right to charge fees on the delivery of municipal services such as water (Cabrero Mendonza and Carrera 2000 p.11). Article 124 assigns to the states the residual authority over all areas not explicitly assigned to the federal government. States have their own payroll taxes, annual taxes on automobiles, and fees (Giugale et al. 2000; Flamand 2008)[1].

[1] Although states have the power to tax automobiles, recently several governors have incorporated the elimination of this tax to their campaign promises. In 2010 the new governor of Queretaro finished with this tax in his state.

The centralization of fiscal authority throughout the twentieth century was a result of a series of negotiations between the federal government and the states delineating the tax jurisdictions in such a way that double or triple taxation could be avoided through the coordination of the three levels of governments. The resulting arrangement was designed to compensate states for the tax powers that they eventually gave away to the federal authorities (Careaga & Weingast 2003; Díaz Cayeros 1995). Although the fiscal agreements between the federal and state governments reduced substantially the amount of resources that the states generated from their own sources, they would receive transfers and investment projects from the federal government as compensation. Subnational governments accepted their loss of tax authority due to the political circumstances under which the PRI as a hegemonic party could credibly protect local politicians from electoral challenges and offer them attractive political careers (Díaz Cayeros 2006). On average more than 70 percent of the state budgets come from central government funds, although the dependence among poorest states such as Guerrero and Oaxaca is even greater (Aregional 2007, Sour 2004).

The Mexican states receive federal grants through two mechanisms: unconditional transfers known as "*participaciones*" and conditional transfers called "*aportaciones*". *Participaciones* were originally revenues of states and municipalities whose collection was delegated to the federal level in the Fiscal Pact for tax efficiency reasons. These resources have been complemented with a portion of the oil revenue generated by the federal government and shared with the subnational counterparts. Once

participaciones are received by subnational governments, states can use them as their own resources. Governors are accountable to their local legislatures for their use and federal authorities do not have any power to audit them.

In contrast, *aportaciones* were conceived as federal money earmarked to pay for services decentralized by the federal government to subnational governments such as education, health, and other policies that the federal government considered a priority, such as poverty alleviation programs. In legal terms, governors are accountable to the federal authorities for the way they use these funds. These conditional transfers have been allocated since 1998 through item 33 (*ramo* 33) of the federal budget, although subnational governments had previously received conditional transfers for these purposes either by bilateral agreements with the federal government or by resources transferred through *item* 25. Currently there are 8 funds in *item* 33:

1. The funds for basic education and teachers' training colleges (*Fondo de Aportaciones para la Educación Básica y Normal* - FAEB).
2. The Fund for Health Services.
3. The Fund for Social Infrastructure.
4. The Fund for the Strengthening of Municipalities and Delegations in Mexico City.
5. The Fund for Multiple Contributions (*Fondo de Aportaciones Múltiples* – FAM).
6. The Fund for Technological Education and Education for Adults (FAETA)
7. The Fund for Public Security in the States and Mexico City
8. The Fund for the Strengthening of States

FAEB is by far the most important fund in *item* 33 and the most relevant among the federal educational transfers. FAM and FAETA are the two other conditional transfers allocated to the states for educational services. These resources have grown systematically since their creation and continue to be the most important component of item 33. Between 1998 and 2009 FAEB has represented on average 60 percent of the total conditional transfers.

4.4. The decentralization of education and its consequences for educational spending.

Since the early 1990s Mexico has been experiencing an increase in the decentralization of public services. As has been reviewed in the previous chapter, after a long journey of negotiations with the SNTE in 1992 the federal authorities agreed to the decentralization of education services for basic education and teachers' training colleges. Four years later, in a similar way after a gradual series of proposals, the federal government also agreed to the decentralization of health services, and in 1998 the technological institutes for upper secondary education were transferred to states. In this way, subnational authorities have become in charge of the administration of the educational services for basic education (preprimary, primary and lower secondary) and the teachers' training colleges.[2] In the case of middle and tertiary education the new education law established a shared responsibility of providing these educational services

[2] The federal government through the Education Ministry (SEP) kept the legal power of defining the education curriculum and the content of the material to be taught in the basic education schools. Moreover, it kept the power to define the content of the public textbooks distributed freely in all schools in the basic education level. It also maintained the jurisdiction over other major relevant policies such as teachers' training and evaluation.

but did not clarify the way each authority would serve these levels and would contribute for their financing.

The new subnational responsibilities demanded new fiscal resources for state governments to provide educational services. Although the reform substantially enhanced the subnational governments' responsibilities, there were several meetings between federal and subnational authorities in order to persuade them to accept the decentralization proposal. Therefore, the process was a top-down initiative where the federal government and the main teachers' union (SNTE) had the main voice in defining the terms of the decentralization agreement. Nevertheless, governors knew the economic costs that would accompany the administration of the basic educational levels and as a consequence insisted on having institutional guarantees for the provision of adequate resources.

In the National Agreement for the Modernization of Basic Education (*Acuerdo Nacional para la Modernización de la Educación Básica, ANMEB*), both levels of government explicitly agreed that in order to improve education quality in Mexico it was necessary to increase educational spending. The document established that "a key policy to carry out the modernization of basic education is that federal and state governments commit to continue increasing education spending in rates considerably higher than the GDP growth rate…". Moreover, the federal authorities ratified their commitment to support subnational governments with additional resources: "The national authority will

become stronger through compensatory measures to states and regions carried out by the federal government… The *federal executive power is committed to transfer enough resources to each state government so they can improve the quality and coverage of their education services* and of the new responsibilities acquired with this national agreement" (emphasis mine). Finally, the agreement established the explicit compromise by subnational authorities to increase the education spending financed with state resources: "(The national authority) agrees with all state governments, which until now have provided modest resources to education, to increase their educational spending, so they have a more equal situation compared to states with similar development levels and which are already spending more on education with their own resources" (SEP 1992).

All governors that signed this agreement belonged to the PRI. The exception was Governor Ernesto Ruffo of PAN from Baja California who delayed signing the agreement with the central authorities because of his disagreements on the terms proposed. Ruffo argued that Baja California was already investing too much in education from its own revenue, and that the new responsibilities would add even more pressure on the state budget. After negotiations with the federal authority, Baja California finally joined the decentralization process. It is unclear how large were the additional resources promised to Baja California. Moreover, during these months the local teachers' union sections had initiated a series of protests in order to pressure the governor to obtain greater compensation, so Ruffo's concerns seem to have been correct. According to one interviewee involved in the negotiations with Baja California, the federal government

responded positively to Ruffo's pressures and allocated additional resources to the state. Unfortunately, it has not been possible to verify the terms and amounts of these additional resources because the corresponding information is missing. Nevertheless, this antecedent is relevant for the analysis of the politics of the distribution of educational funds proposed below. An opposition governor was capable of obtaining more resources from the federal authorities in exchange for joining the educational decentralization agreement.

Despite the PRI having the overwhelmingly control over governorships, Mexico began to experience an accelerating process of political competition in the 1990s, with growing levels of political openness. The democratization process of the regime altered the political relationships between the federal government and the subnational authorities (Fox 1994, Ward and Rodriguez 1999, Beer 2003, Díaz-Cayeros 1997; Hiskey and Canache 2005). Democratically elected mayors and governors began to demand more autonomy from the central government and requested more control over fiscal resources (De Remes 1999). Simultaneously, as the education reform began to be implemented, organized interests groups such as the teachers' union realized that as the undefeatable condition of the PRI was eroding at the subnational level, their members needed to negotiate with local executives from other political forces. The union needed to come to terms with the new non-priista governors and also demanded more generous educational budgets for salaries and benefits. First, the teachers' union started negotiations through its local sections with governors coming from the PAN, especially in the northern part of

Mexico (Baja California and later Chihuahua), and later then with PRD governors, such as in the case of Zacatecas and Michoacan.

As political competition at the subnational level increased, the political incentives for maintaining total discipline and loyalty toward the central authorities waned even within the PRI.[3] In the case of governors from the opposition, their political careers did not depend on their relationship with the president but on their capacity to show good results to their citizens. Consequently, governors began to demand larger federal transfers and eventually more transparency in the rules governing the allocation of these resources. These increasing demands would eventually be observed in the case of educational grants.

As pointed out above, at first the federal government financed the decentralization of educational services through funds on the item 25 of the federal budget. The specific criterion used for the *initial allocation of these grants* is *unclear* although according to the federal government's promise the funds would be enough to cover teacher salaries and the administration of their schools. However, when in 1997 the PRI lost its majority in Congress, the opposition pushed for a change in the Federal Coordination Law in order to establish a new budget line, the aforementioned item 33 (*ramo* 33). This line would

[3] During the PRI regime governors had been considered political loyal to the PRI (Ward and Rodriguez 1999). Nevertheless, some scholars have challenged this vision. Diaz Cayeros for example argues that subnational governments were not mere appendixes of the federal government or employees of the president. Governors negotiated during the authoritarian years with the federal government and only "surrendered" their fiscal authority once they had a credible protection against competition in local elections and had attractive gains with larger revenue resources compared to the ones they would generate if keeping their tax powers (Diaz Cayeros 2006).

define the conditional transfers to the states and municipalities from which the decentralized responsibilities would be financed. In the case of the funds for education, the conventional wisdom among analysts is that these funds were allocated according to the number of federal teachers and schools transferred from the federal educational system to the state with minor adjustments for inflation and occasionally with changes by "special requests" from subnational authorities (Cabrero and Martínez 2000).

The law established a new article that created a compromise for holding periodic meetings between federal authorities and subnational governments in order to analyze new alternatives and proposals for the distribution of funds. These meetings would have the ultimate goal of pushing forward a more equal allocation of federal transfers and a better use of these educational grants. Consequently, the subnational authorities agreed to share information about their educational budgets in order to improve the planning and evaluation of the national educational system (article 28 Federal Coordination Law approved in 1997).

The new funds were expected to respond to technical assessment of educational needs rather than the calculus of incumbents. Thus the distribution of the educational grants was expected to follow the logic of a benevolent planner concerned with reducing educational inequalities and overcoming poor social conditions by compensating states with larger educational deficiencies. Nevertheless, formula-based transfers do not necessarily curb political influence. While they do change the terms of political

bargaining, they do not eliminate the impact of political considerations on the distribution of these resources across states. Educational transfers in Mexico follow a political rationale in which the influence of organized interest groups in the education sector, particularly the teachers' union, is an important factor driving the allocation of these funds. Other political factors such as partisanship considerations also play a relevant role in the distribution of educational grants. Nevertheless, as I show in the following sections, on the distribution of these resources the competitiveness of subnational elections does not have an impact. As these transfers are conditional with congress limiting the influence that the federal government can have over their geographical allocation, federal educational grants are less prone than unconditional transfers to follow an electoral rationale.

4.5. Teachers, parties and elections: who is being served in the allocation of educational grants?

As mentioned previously, it is widely assumed that educational transfers tp the states reflected the number of teachers and schools transferred from the federal government to the states in 1992. Under this criterion states that had larger subnational educational systems were disadvantaged and remained disadvantaged over time (Latapí and Ulloa 2000). Other authors have argued that the distribution of federal educational funds followed mainly an inertial logic without considering the demands of basic education and teachers' colleges (Andere 2006 pp.118-120). Early work on the allocation of these funds found that FAEB transfers were only not compensatory but

contributed to larger inequalities among states (Esquivel 1999). In a similar way, Ontiveros Jiménez (2003 p.608) argues that the funds were not as redistributive as the compromise between the federal government and the subnational authorities had intended. Moreover, according to Ontiveros, in the distribution of educational funds, interests groups such as the union were major players in the decision-making process. Nevertheless, he does not provide empirical evidence of this hypothesis. In one of the most exhaustive analyses of the educational transfers, Goodspeed (2003) confirmed that there was no empirical evidence that funds were allocated in favor of the poorest states.

In synthesis, analysts of the distribution of the FAEB have highlighted 1) inequities in the distribution of the funds across states; 2) the aforementioned inertia dynamic in allocations; 3) inequalities that did not compensate for state contributions to education; 4) a lack of incentives to promote larger educational spending through states' own revenue sources; 5) absence of the demand and quality criteria for the distribution of the transfers; 6) weak coordination between the federal government and state authorities (Aguilar and Maya 2006 pp.151-152;Villanueva 2010).

Surprisingly, in explanation of the distribution of educational transfers, politics has been absent. This omission is particularly puzzling given that different analyses of the total conditional grants and overall unconditional transfers have provided evidence of political considerations (Diaz Cayeros 2006). Scholars have pointed out that political parties and elections influenced the allocation of conditional and unconditional transfers

in the early democratic period from 1998 to 2004. States governed by political parties other than the party of the president (PRI then) and those where subnational elections were highly competitive received larger shares of conditional and unconditional transfers compared with PRI-dominated states or with territories with less competitive elections (Flamand 2006).

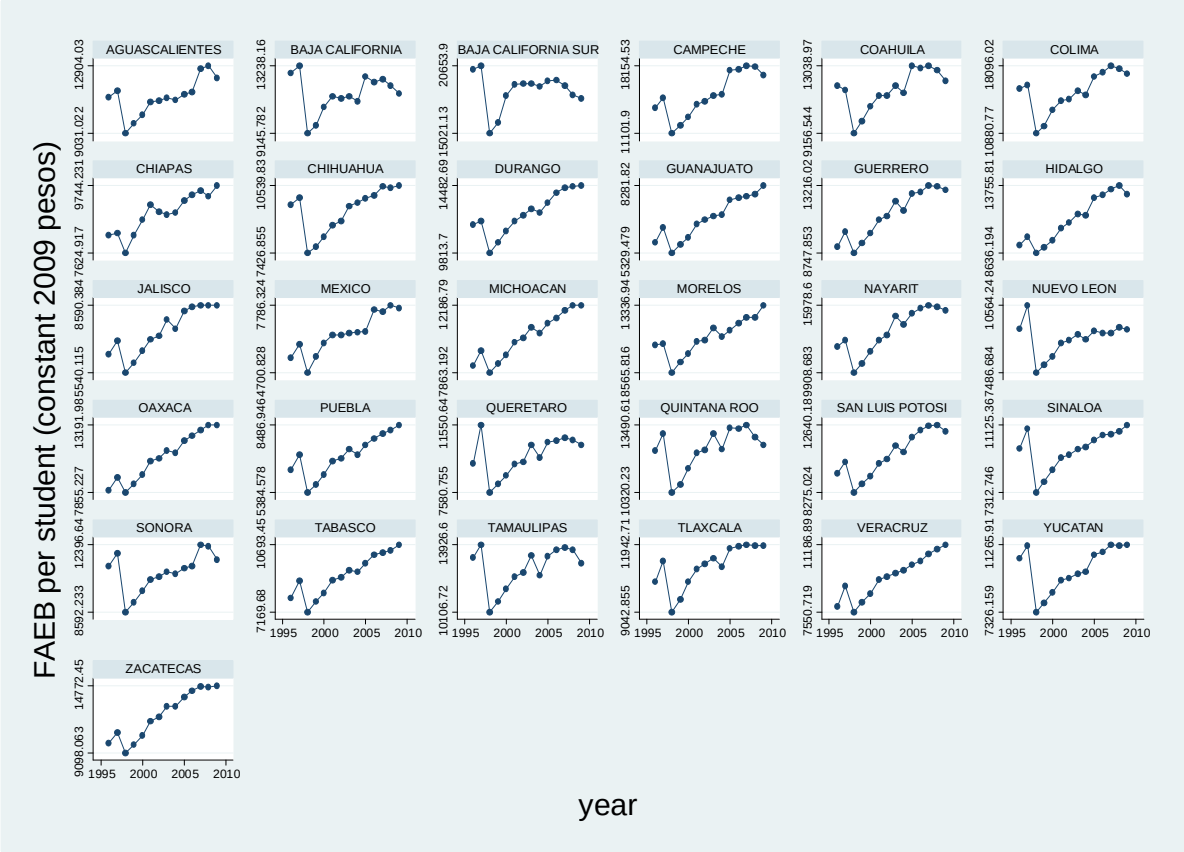


Figure 4.1 Federal educational transfers per student for basic education and teachers' training colleges in Mexico (1996 – 2009)

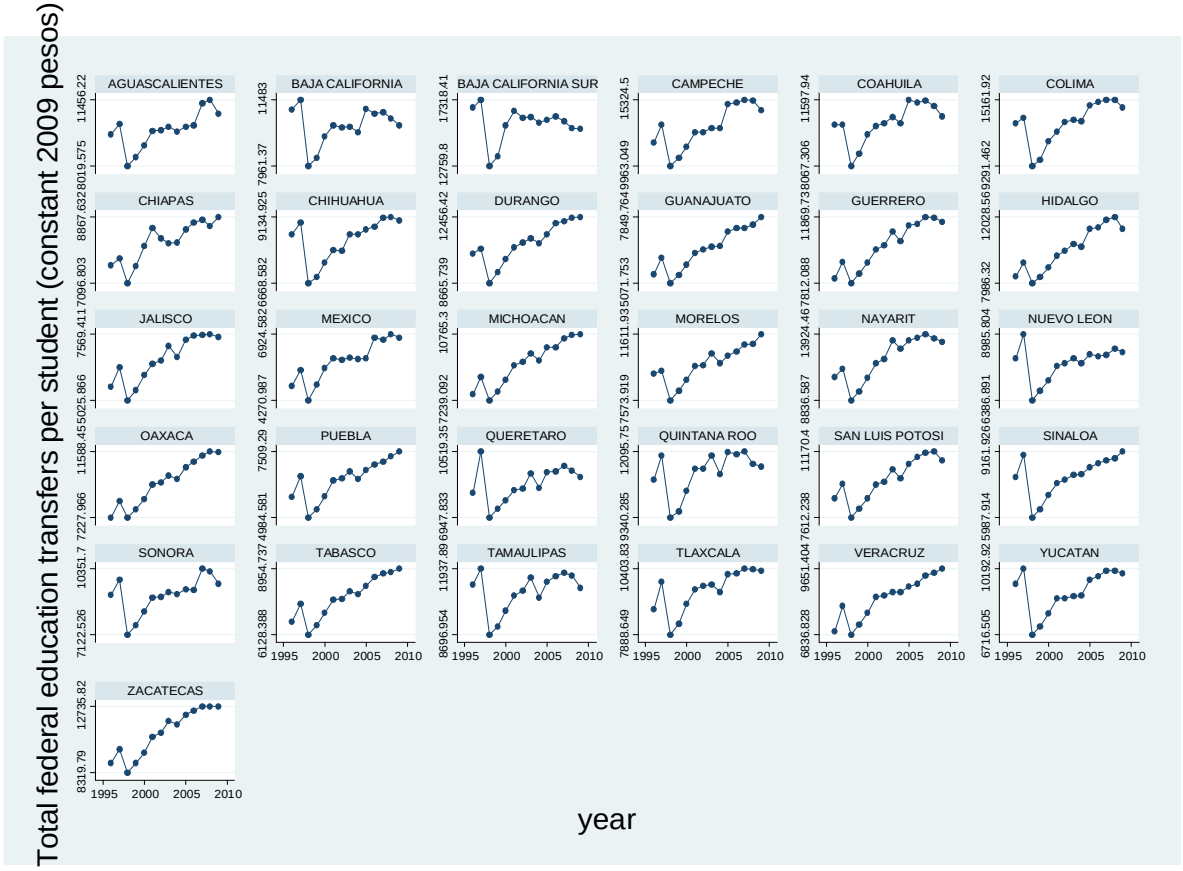


Figure 4.2 Total federal educational transfers per student in Mexico (1996 -2009)

As figures 4.1 and 4.2, show both total educational transfers per student but particularly the transfers for basic education and teachers' training colleges per student have grown continuously since 1998. Nevertheless, there are important differences in the grants per student received by Mexican states. These differences have produced tensions and complaints from state authorities, particularly from governors, who became increasingly vocal in response to the gradual democratization of the states.

Once the PRI lost the presidency in 2000, the majority of the subnational governments were from a party different from that of the president. Governors organized in a confederation (CONAGO) on which they have negotiated policy proposals for the allocation of larger federal transfers (Diaz Cayeros 2007; Flamand 2008). Nevertheless, complaints from different subnational governments about the allocation of federal educational transfers have been recurrent since the education reform in 1992 (Fernández 2010), and, as the democratization process advanced in Mexico, these grievances found institutional channels for their expression. In 2004, in the negotiations of a National Fiscal Convention, governors addressed different topics for public spending with central emphasis on education spending. Several governments complained about the fiscal burden that the decentralization of basic education had entailed for their local finances. Nine states (Baja California, Chihuahua, Durango, State of Mexico, Nuevo Leon, Yucatan, Sinaloa, Puebla, Jalisco, and Guanajuato) denounced the high proportion of resources they had to allocate for education.

Thus, state pressures for higher federal transfers, among them educational ones, have been a recurring theme among governors in Mexico, leading to requests for Congress to change the existing distribution of funds. In different interviews with former governors and subnational authorities, several actors have denounced the way the local teachers' union sections pressure them to get additional resources. Moreover, two former high ranking officials in the federal government have argued that teachers have considerable political muscle to pressure for larger educational budgets –both from federal and from subnational sources- and that as part of the union's strategy they occasionally ally through their state sections with governors who are interested in increasing their share of federal educational transfers. Within these alliances, governors end up supporting disruptive measures by the local teachers' union section in order to increase the pressure over federal authorities to accept providing additional educational grants (Confidential interviews 2007, 2008, and 2011).

Undoubtedly, the budget reflects the pressures, negotiations, and balance of power among political actors. It is the arena where it can be identified who is who in political terms. In their political survival strategy, politicians use budgets as an instrument to pursue their political gains. They also use budgets to pursue their goals. "Claims on the budget come from job-seekers, economic groups, social classes, and regional interests, and the annual changes in programs unambiguously record winners and losers" (Ames 1987 p.7).

In the definition of who is who in politics organization matters. An extensive literature has underscored that organization is key for individuals who struggle to influence public policy decisions (Bates 1981; Grossman & Helpman 2001; Lohman 1998, 2003; Olson 1965, 1982, 2000). Politicians do not hear all voices equally. As Olson argued in his seminal work on collective action, individuals have different means to influence governments' decisions. In the case of education policy, teachers are easily the best organized, and hence one of the most influential groups (Corrales 1999; Nelson 1999). Teacher unions have gained veto power over reforms in the education sector. They use their organizational strength and related electoral power to pressure governments and see their interests served. As several scholars have emphasized, strikes are used to influence the "who gets what of politics" (Robertson 2004). Wages, salaries, public expenditures, can all be shaped by union strikes and pressures, especially at high levels of unionization. This is a powerful resource for unions. Teachers understand it and act accordingly. Strikes and threats of strikes are potentially effective in the case of teachers, because of their disruptive effects. Parents immediately face a challenge to find any alternative childcare. Furthermore, teachers have a nationwide presence that consolidates their political position and turns teachers in a valuable asset for political parties. Thus, teachers are an attractive ally and a powerful enemy in the political spectrum of any country, and Mexico is not an exception.

One of the strengths of teachers' unions is contingent on the resources they control. Traditionally union members pay mandatory monthly fees (Tiramonti & Filmus

2001; Vaillant 2005). These compulsory contributions provide leaders with the material resources to finance demonstrations and sustain strikes for months; they allow leaders the access to vehicles for the transportation of demonstrators; and even facilitate the hiring of consultancy services on education for their negotiations with government officials.[4] In the case of the Mexican teachers' union (Sindicato Nacional de Trabajadores de la Educación – SNTE) the leadership receives one percent of the salary from every public teacher and affiliated worker every month. These "voluntary" contributions are a powerful financial instrument to pay for buses, meals and other necessary tools to undertake disruptive actions.[5]

Moreover, the union has a monopoly of representation over teachers in basic education and teachers' training colleges.[6] The SNTE sections in the states frequently negotiate, as part of a collective contract, clauses that provide them with discretionary hiring and firing power. Until recently, the union favored practices such as the sale of teachers' positions and the right of their children or close relatives to inherit them. This control over teaching posts underscores the union's influence over the educational system in Mexico. If teachers' leaders require the mobilization of their members they have credible persuasive mechanisms to secure their participation in protests and marches. If

[4] Interviews conducted in the spring of 2007 with leaders from different sections of the Mexican teacher' union (SNTE) confirmed the "multiple instruments of rewards and persuasion" that allow them to reach the *support* and *generosity* of their members (Confidential interviews March 2007).
[5] Some analysts have suggested that these "voluntary contributions" account for approximately 10 million dollars per month. See Castañeda 2011.
[6] Administrative workers in the National Politechnical Institute (IPN) as well as workers in the National Institute of Arts (INBA) are also members of the SNTE.

they do not comply, dissidents can be fired and prevented from accessing favorable benefits such as housing mortgages. Furthermore, the union can influence the transfer of teachers to schools of their preference, and can credibly threaten to send potential dissidents to remote locations if they refuse to comply with the union' leaders orders.

Therefore, among the actors in the education sector in Mexico the SNTE is by far the strongest and most influential. Other teachers and professors in other educational levels –upper secondary and tertiary- also have organizations that articulate their interests. Nevertheless, these other educational unions do not have the political muscle shown by the SNTE. The collective action capacity of teachers' unions across education levels varies according to their fragmentation, the extension of their representation (national, state or at the school level), and the percentage of the workers they organize (union density). When the union monopolizes the representation of teachers, when this representation is national, and when all the teachers in their educational sector are members of the union, as occurs in the basic education level with the SNTE, the power and influence of the union strengthen considerably. In contrast, when the union lacks the monopoly of representation and competes with other unions for members, when the territorial domain of their representation is not national but the state or in extreme cases only the school level, which occurs in the case of unions in public universities, coordination problems arise between the union members and their collective action capacity is accordingly dilluted.

Contingent on these organizational characteristics, the mobilization of teachers across levels varies accordingly, as does their influence over educational budgets. Considering their organizational capacity, teachers in basic education (preschool, primary and lower secondary) have the strongest collective action capacity, and therefore are expected to use it more effectively when pushing for a larger allocation of educational transfers. As their capacity increases, their influence over the distribution of education funds strengthens. Nevertheless, when political and organizational conditions allow it, other groups in the education sector such as parents and administrative workers come together and form groups to voice their demands and pressure authorities for additional resources through similar disruptive strategies as the ones carried out by teachers in the basic education level and teachers' training colleges. Therefore, the first hypothesis that I test in this work is the positive impact of the disruptive actions undertaken by actors in the education sector over the allocation of educational transfers in Mexico:

1) Hypotheses
Union strength and the distribution of educational transfers.

1.1 States with teacher unions carrying out more disruptive actions are expected to receive larger educational transfers for basic education and teachers' training colleges.

1.2 States with more disruptive actions by all actors in the education sector are expected to receive larger total educational transfers.

Consistent with previous findings in the political economy literature of federal transfers, I expect that partisan considerations influence the allocation of educational grants. There are, however, two contrasting hypothesis on the role of partisanship and distribution of transfers. If the core voter logic is correct, it would be expected that governors from the same party as the president would benefit from their partisan affiliation and receive larger educational transfers than other governors. Nevertheless, if Congress has the authority to decide on the allocation of resources, then it is expected that the president will have less room to influence the allocation of federal transfers in favor of states with governors from his same party. This is particularly likely in situations of divided government such as the ones observed in the Mexican case. As democratization has expanded, the political pluralism in Congress has also grown. Since 1997 when the PRI lost its majority in the House of Representatives, Mexico has had divided government and the Mexican presidents have been forced to build coalitions in Congress to advance their legislative agenda and have their budget proposals approved (Casar 2008, OECD 2009, Weldon 2002, 2005).

Further, since 2000 when the PAN won the presidency, the majority of governors have belonged to opposition parties (PRI and PRD). In consequence, it is possible that these opposition governors have been able to extract more federal transfers, among them educational grants, compared to their counterparts from the same party as the president. Two mechanisms might operate in their favor. First, governors have become strong political figures in Mexican politics and have more influence over the political careers of

federal and local legislators. Therefore, as the negotiations of the federal budget take place, they pressure legislators from their states to serve their state's economic petitions. Second, the gubernatorial influence over legislators is particularly useful for the federal government when negotiating with congress. In exchange for their cooperation on the approval and implementation of federal policy priorities, the central authorities allocate larger educational transfers to states with governors from opposition parties.

2) Hypothesis.
Vertical divided government and the distribution of educational transfers.

2. States with governors from a party different from the president's party will receive larger educational transfers.

As has been pointed out, the educational grants are *conditional transfers* and can only be used for financing the educational activities established in the federal fiscal coordination law. The president's discretionary use over these funds is institutionally constrained by Congress. Therefore, although subnational elections in Mexico have been increasingly competitive it is unclear that these educational transfers would follow an electoral rationale. Therefore, the third hypothesis that I test in this chapter is that

higher levels of electoral competition do not have an impact on larger allocation of educational transfers. [7]

3) Hypothesis.
Electoral competition and the distribution of educational transfers.

Electoral considerations do not have an impact on the distribution of educational transfers. States with more competitive elections do not receive larger educational grants.

Previous studies on education policy have emphasized the importance of the teachers unions' political links and ideologies as facilitators for the implementation of educational reforms. Their political identities have served as signals for their interaction with governments and in their relationship with constituencies, in the case both of inter-union or intra-union competition (Murillo 2000). These political identities also shape the policy preferences of governments (Garrett & Way 1998). As Maceira and Murillo have pointed out these political alignments "can serve as a cue for (governments') intentions because providers affiliated with the reforming party are more likely to trust the absence of hidden agendas in the reform process" (Maceira and Murillo 2001 p.14). These shared loyalties between unions and parties –traditionally labor based parties- allow for a formal communication channel between authorities and teachers, and eventually facilitate the

[7] I thank Federico Estévez for his suggestions to consider the consequences of conditionality and reduced discretional power by executive when taking into consideration the electoral explanations for the distribution of educational transfers.

development of trust between them by providing longer horizons based on their relationship. In the Mexican case, the SNTE used to be a strong PRI ally. This political alliance as well as the provision of economic benefits with institutional guarantees to the union for maintaining the monopoly of representation facilitated the approval of the decentralization of education in 1992.

But political alignments are not frozen in time and are subject to change. As political circumstances mutate, political competition increases and different parties arrive into power. Interest groups such as the teachers' union are capable of adapting and developing new political relationships. This is particularly true in federal systems where parties governing at the state level are not necessarily the same as the party in charge of the federal government. Moreover, internal competition also pushes union leaders to diversify their political alliances. In the case of the Mexican teachers' union, the left dissident movement called CNTE (Coordinadora Nacional de Trabajadores de la Educación) became stronger particularly in Chiapas, Guerrero, Mexico City, Michoacan, and Oaxaca during the late 1980s and early 1990s. The dissidents had constantly criticized the close ties of Elba Esther Gordillo, the teachers' union leader since 1992, with the PRI. They complained that teachers were forced to support electorally this party despite having other political preferences. The central leadership was pressured to change gradually in terms of the union's relationship with the PRI and adapted to the growing pluralism observed at the state level.

When the PRI lost the presidency in 2000, the SNTE had ended its official membership of this party although several of its members, including its leader Elba Esther Gordillo "*La Maestra*", continued being influential PRI politicians. *La Maestra* had begun a political relationship with the PAN candidate Vicente Fox previous to the 2000 elections and when he became president, Gordillo and the union approached the federal government to form a political alliance, while retaining their linkages with the PRI. Eventually Gordillo would leave the PRI, but she has continued diversifying the SNTE's political alliances both at the national and subnational level. The union has been able to take advantage of the electoral needs that have accompanied competitive elections in Mexico by using its mobilizational capacity to advance agreements at the federal and subnational levels from which the SNTE has been able to obtain larger benefits for its members.

At the federal level by supporting changes in the educational system, and structural reforms in the energy sector, the public employees' pension system, and the tax system, the union managed to obtain larger educational budgets, with stronger salaries and more economic benefits for teachers of public schools. Therefore, the fourth hypothesis that I test in this essay is that as a consequence of the political relationship between SNTE and PAN, more educational transfers have been allocated to the states in comparison to the PRI era.

4. Hypothesis
Political alignment and educational transfers.

The PAN governments have allocated more educational grants to states in comparison to the PRI administrations.

4.5. Empirical strategy.

To assess the impact of organized groups in the education sector over the allocation of educational budgets, the subsequent empirical analysis draws upon a data set covering the 1996 – 2009 time period in 31 Mexican states for which appropriate data on educational transfers is available. [8] There are two dependent variables. The first is the federal educational transfers for basic education and teachers' training colleges standardized by student known as FAEB.[9] The second dependent variable is the total federal decentralized educational transfers standardized by the total enrollment in public schools by state. The total federal decentralized educational transfers (transferencias educativas decentralizadas) is an indicator calculated by the National Institute for the Evaluation of Education in Mexico (*Instituto Nacional de Evaluación Educativa* - INEE

[8] Mexico City is not included in the analysis. When decentralization of educational services for basic education and teachers' training colleges was implemented in 1992, federal authorities decided to keep control over Mexico City's education system. This system is financed by educational funds determined in the item 25 of the federal budget.

[9] The Mexican education system is structured into three education levels: basic education (*educación básica*, formed by preschool, primary and lower secondary education), upper secondary education (high school known as *educación media superior*) and tertiary education (public universities and teachers' training colleges) known as a whole as *educación superior*. The equivalent education levels to the American system are: Basic education (elementary and middle school), upper secondary (high school), and tertiary education (universities and teachers' training colleges). The most important federal educational transfers are the FAEB funds (Fondo de Aportaciones para la Educación Básica) which finance the basic education system and teachers' training colleges.

2010)[10]. This indicator is formed by the different funds that states receive for different levels of education: for basic education and teachers' training colleges (FAEB), for middle education (FAETA), and for financing infrastructure for basic and tertiary education (FAM).[11] Both indicators are in constant 2009 pesos.

The statistical estimations are based on the fixed-effects error correction model that has become standard in recent research on government finance.[12] The model used is the following:

$$\Delta Y_{i,t} = \beta_0 + Y_{i,t-1}\,\beta_1 + \Delta X_{i,t}\beta_2 + X_{i,t-1}\,\beta_3 + \varepsilon_{i,t}\,,$$

where $Y_{i,t}$ is the educational transfers per student in state i in time t, X is a matrix of independent variables (including state fixed effects), and Δ is the first difference operator. Therefore, the dependent variable is the change in educational transfers per student in basic education and teachers' training colleges or change in the total educational transfers per student for all educational levels from one year to the next. The independent variables include the lagged level of educational transfers per student, the

[10] I appreciate the suggestion by Hector Robles, director of educational indicators at INEE, to conduct this complementary analysis of educational resources.

[11] The Federal Coordination Law regulates FAEB (Fondo de Aportaciones para la Educación Básica), FAETA (Fondo de Aportaciones para Educación Tecnológica y de Adultos) and FAM (Fondo de Aportaciones Múltiples) funds. In April 2009 article 40 was modified so FAM funds could be also used for improving the school infrastructure of upper secondary schools. This reform started operating in the federal budget of 2010. Another important reform of the Federal Coordination Law was approved in 2007 and implemented in 2008. This reform changed the rules for the distribution of FAEB. I explain this reform below and the way I address these changes in the empirical analysis.

[12] See, for example, Iversen and Cusack 2000; Kaufman and Segura-Ubiergo 2001; Kwon and Pontusson 2010; Rodden 2003; Remmer 2004; Wibbels 2006; and Morrison 2009. See also Beck 2001 and 2008.

annual rate of change in each of the independent variables, and the lagged values of the independent variables.

As other authors have analyzed, this type of model assumes a moving equilibrium relationship between variables in which the dependent variable may not only fluctuate in response to short-run changes in the independent variables but also assume over the long run levels consistent with those of the independent variables. Consequently, the advantage of these type of models is that it assesses both the short and long-term relationship of X and Y. The coefficient on the lagged level of the dependent variable (β_1) is an indicator of equilibrium properties –therefore, it should be between -1 and 0, so that the effects of shocks in an exogenous variable are reduced over time and the system returns to equilibrium. The short-term relationship is captured by the coefficient of the change variable ($\beta 2$), and the longer-term relationship by β_3, which is the coefficient of principal interest. This coefficient indicates the lasting effect of the variable in the long-term moving equilibrium.[13]

In order to correct for the problems of heteroskedasticity and contemporaneous correlation of errors across states that bedevil panel data, the model is estimated on the basis of OLS with panel-corrected standard errors with panel-specific patterns of first-order autocorrelation (PCSEs; see Beck and Katz 1995,1996). [14] The model includes

[13] See Beck 1991; Keele and De Boef 2004; Rodden 2003; and Remmer 2004.
[14] I ran complementary analysis with robust errors clustered by state. The results are very similar to the ones discussed below.

fixed effects which control for the variation within the states. The fixed effects model accounts for a potential problem of omitted variable bias.[15]

As argued previously, the main hypothesis driving this research is the impact of organized groups in the education sector on the distribution of educational transfers. These organized groups carry out several disruptive actions to have their interests heard and served by politicians when budget decisions are taken. The statistical analysis of the effect of mobilizations for public educational spending is based on the Mexican Education Protest Dataset (MEPD). The MEPD contains information on all contestant events by teachers, administrative university workers, students, and parents in the 31 states and in Mexico City between 1992 and 2008. Based on a systematic review of *La Jornada* - a national newspaper published in Mexico City with the most extensive national coverage of social conflicts, protests and mobilizations in the education sector- this dataset contains more than 9,101 collective action events carried out in a 16 years period.

The acts of protest include public denunciations, marches, demonstrations, sit-ins, strikes, hunger strikes, occupation of schools and other education buildings, road blockades, occupation of government buildings, acts of vandalism, and kidnapping and

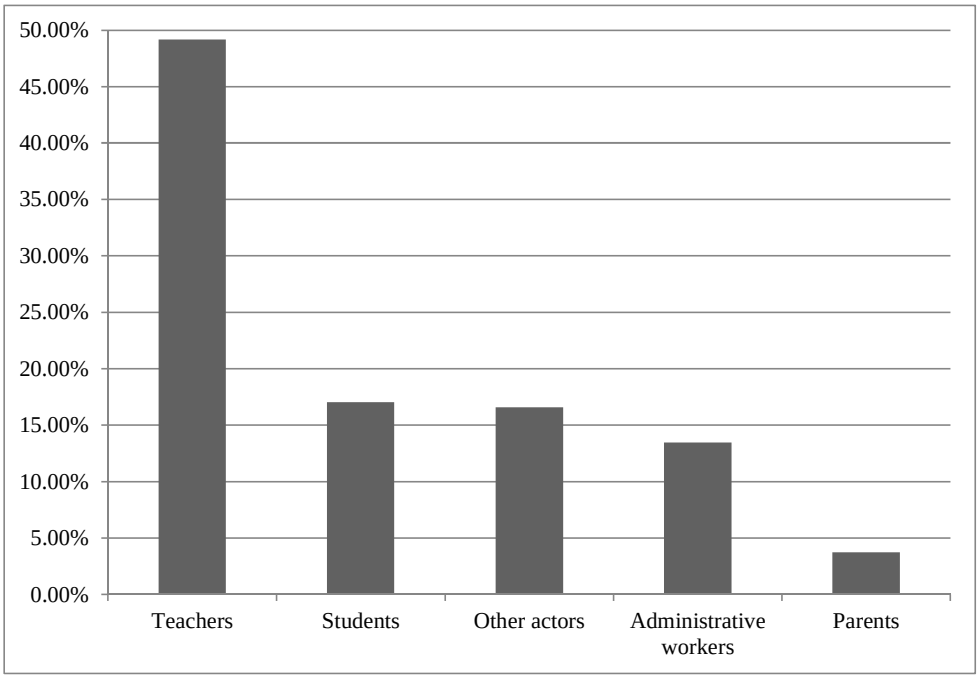
[15] In addition to the theoretical and statistical considerations mentioned for the selection of the fixed effects models, I ran the Hausman test to confirm the adequacy of this choice. The Hausman test confirmed that the fixed effects models are more adequate for the statistical analysis of educational transfers (Baltagi 2005; Kennedy 2008; Wooldridge 2010).

lynching of government authorities.[16] Additionally to the previous classification, I also included a category for demands and statements reported in the press, but that did not imply a collective action or disruptive mobilization in the streets. Marches, demonstrations, sit-ins, strikes and occupation of schools and other education buildings were the most common acts of teachers, administrative workers, and students. For the statistical analysis I sum the previous categories –with the exception of the public denunciations category- into a single group that I denominate disruptive actions.[17]

As it can be seen in figures 4.3 and 4.4, there is important variance in the number of disruptive actions carried out by the different actors in the education sector by education level and by state. The MEPD confirms the theoretical claims made elsewhere in terms of the differentiated collective action capacity of the different actors in the education sector (Fernández 2010). Teachers in the basic education sector were by far the largest group of actors carrying out disruptive actions. Nearly 50 percent of the all disruptive actions observed in the Mexican education sector were perpetrated by teachers. Students, most of them from public universities, are the second largest group protesting in the education sector with 17 percent of the reported disruptive actions.[18] Administrative workers who typically belong to public universities' unions are the third

[16] Previous interviews with education authorities, teachers' union leaders, students and members of parents' associations, and an exploratory review of Mexican daily newspapers helped me to identify these different categories.
[17] I also ran models considering all collective actions, including the public denunciations category. The results do not change substantially.
[18] The information compiled in the database confirms that students in public universities have been much more likely to participate in acts of protest than their younger counterparts from public high schools.

set of contestant actors in the education sector. Finally, the information collected confirms that Mexican parents are not very likely to engage in protest or other contestant actions. Less than five percent of the disruptive actions with some type of demand related to education between 1992 and 2008 were carried out by parents. The evidence supports the argument that teachers are by far the group most likely to carry out their education demands on the streets.

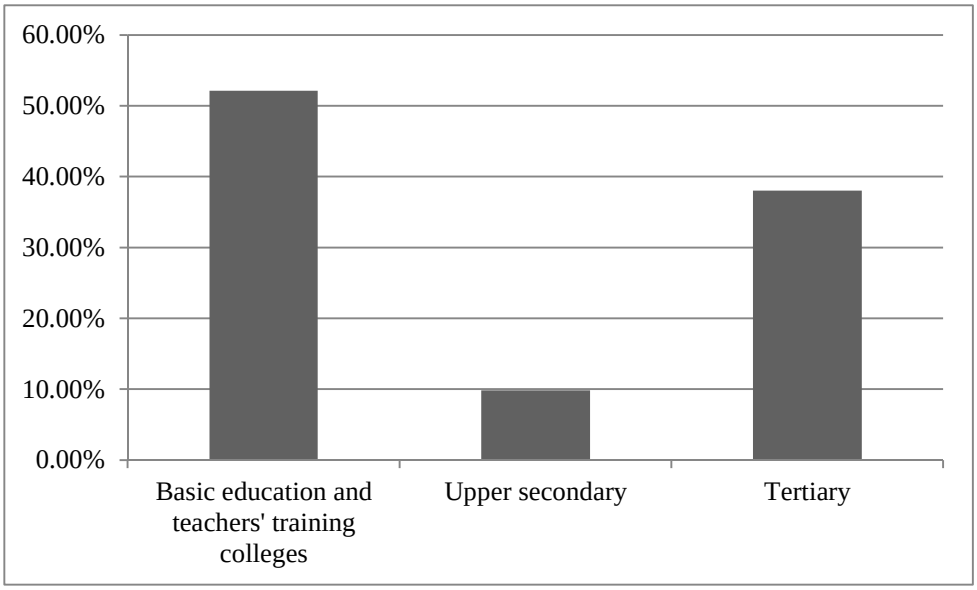


Source: Fernández 2011.

Figure 4.3 Disruptive actions in the Mexican education sector by type of actor (1992 – 2008).

When comparing the number of disruptive actions by educational level, the MEPD underscores that these actions are more likely to be led by teachers in the public basic education institutions and in the teachers' training colleges known in Mexico as "*escuelas normales*".[19] More than fifty percent of all disruptive actions in the education sector were carried out by actors from this education level. Further, 38 percent of the protests in the education sector are undertaken by actors from public universities. Finally, the actors in the upper secondary level are clearly the weakest in terms of their collective action capacity to make their demands heard. Less than 10 percent of the disruptive actions are led by actors in this level (9.85 percent).

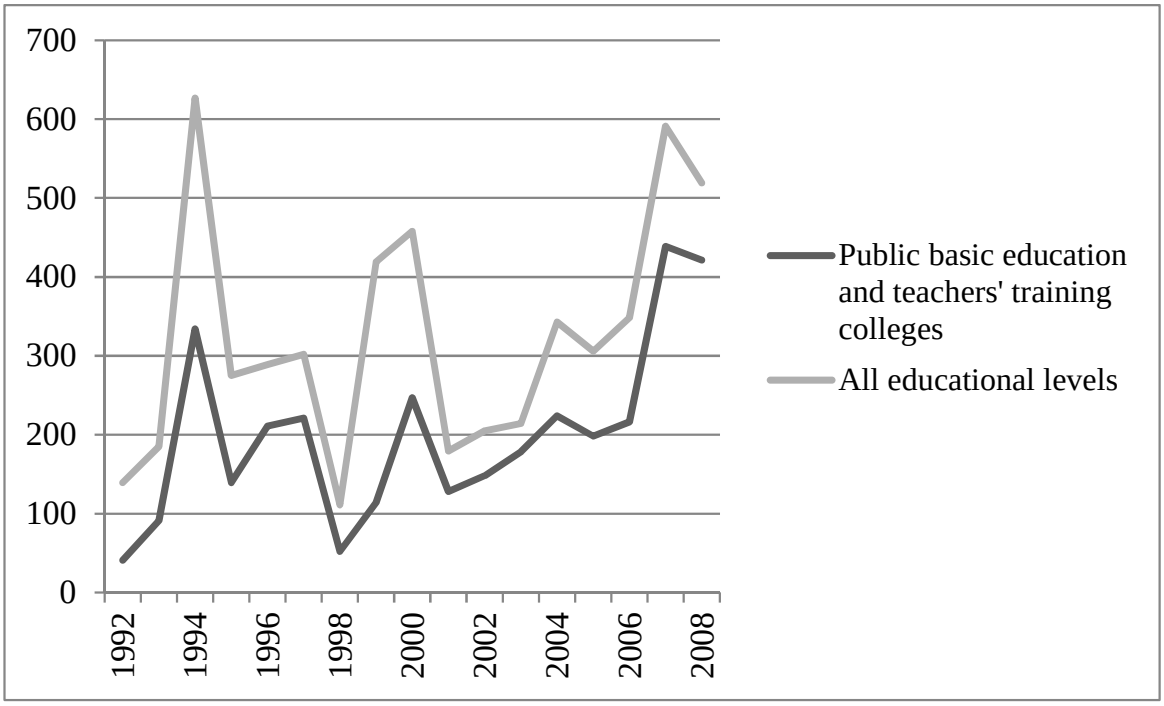
[19] As mentioned in the footnote 9, in legal terms the Mexican education law considers the teachers' training colleges part of the tertiary education system. In the next chapter I analyze the state educational spending. For that analysis I followed the classification of the education levels established in the referred law. Nevertheless, for the purposes of the analysis of the educational transfers, in the case of the federal educational transfers for basic education and teachers' training colleges (FAEB funds), I group together the disruptive actions of these two education levels (basic education and teachers' training colleges).



Source: Fernández 2011

Figure 4.4 Disruptive actions in the education sector in Mexico by education level (1992 – 2008).

As it can be seen on figure 4.5, the MEPD also suggests that disruptive actions in the education sector follow an electoral cycle logic. They increase when federal elections take place (see the years 1994, 2000, and 2006). Although future research will analyze the temporal dynamics that accompany the protests, it is possible to suggest that actors in the education sector know that in election years, the governments are particularly weak as authorities are finishing their terms in office and might be interested on serving more effectively the economic demands by the participants in these disruptive actions.



Source: Fernández 2011

Figure 4.5 Protests in the education sector in Mexico (1992 – 2009)

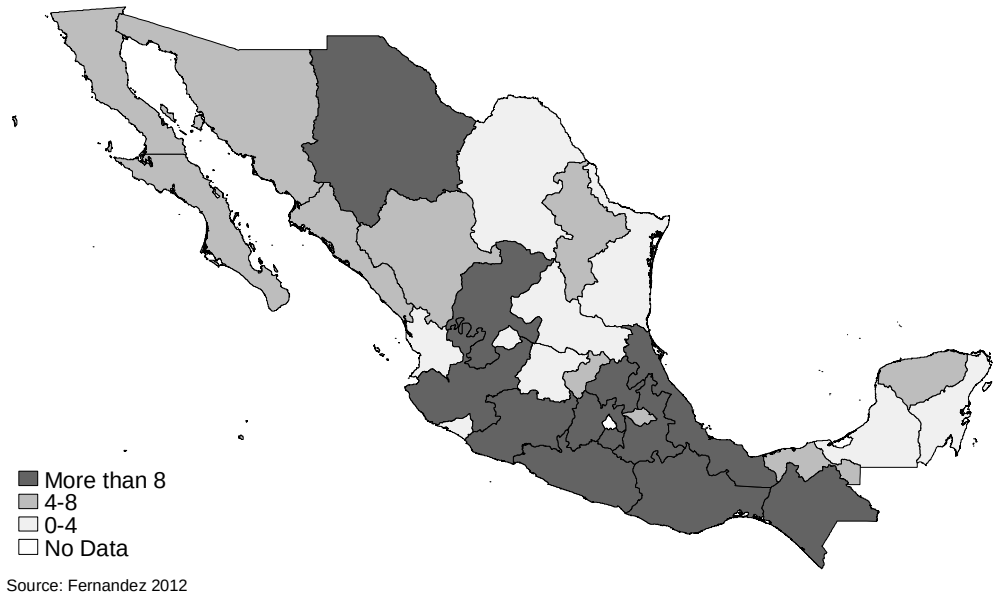
Ideally, in order to better differentiate the protests observed in the education sector, they should be weighted by the number of participants and their duration. Nevertheless, the precise number of participants in these demonstrations and their length were not reported for all the events.

The MEPD allows for the identification of a strategic behavior in some sections of the teachers' unions. In some occasions teachers from the states took their anger and demands to the streets of Mexico City. At the beginning their actions concentrated in their home states, particularly in the capital city. However, sometimes to increase the

pressure over the state authorities, they extended their protest to Mexico City under the logic that their actions would have a larger disruptive effect, and as a consequence would be able to capture a larger attention with the coverage from national networks. In order to analyze the impact of disruptive actions over the allocation of educational transfers toward states and avoid biases associated with a count of protest simply based on the geographic location of events, I distinguish between the site of the protest and the place of residence of protesters for purposes of statistical analysis. Therefore a protest event is assigned to a state every time the actors from that state participate in a protest event, regardless of where the event takes place. For example, if the demonstration was carried out by teachers from Michoacan, I classified the event as a Michoacan protest even if this event took place in Mexico City. In the case of demonstrations carried out by actors from more than two states, I disaggregated the information and assigned an event to each state.[20]

Map 4.1 shows that the disruptive behavior in the subnational education sectors varies geographically. Between 1992 and 2008, the average number of protests by state carried out by all the actors in the education sector varied geographically. Twelve states averaged more than 8 disruptive actions per year during this period, 10 states between 4 and 8 protests, while 9 states had relatively peaceful education sectors with less than 4 protests per year.

[20] I thank Guillermo Trejo for making this suggestion.



Map 4.1 Average disruptive actions the Mexican education sector (1992 – 2008).

To test the hypothesis of vertical divided government I use a dummy variable where 1 is when the governor is from the same party as the president, and 0 otherwise. For testing the electoral competition hypothesis I calculated the margin of victory between the first and the second party in the most recent subnational election (either gubernatorial election or state mid-term elections). The data comes from two sources: the political database compiled by CIDAC and complementary information compiled by the author from the different state electoral institutes.[21] In order to test the hypothesis of the

[21] As robustness checks I used three alternative indicators: effective number of parties in gubernatorial elections, effective number of parties in local congressional elections, and effective number of parties in the local congress. Unfortunately these indicators are not the best indicators for electoral competitiveness. As Matthew Clearly has shown these fractionalization indexes can be inconsistent and consequently not the most adequate instruments for measuring

benefits of the alliance between the SNTE and the PAN federal administrations, I include a dummy variable with 1 for the years of federal panista governments (2001 – 2009) and 0 otherwise. [22]

I include different control variables to capture factors that may affect the distribution of educational transfers. Some of these are consistent with the models used in cross-national studies, while others account for characteristics unique to subnational studies, and to the Mexican case in particular. The literature on intergovernmental fiscal transfers underscores the redistributive dilemmas that any fiscal federalism arrangement entails. Normative approaches to fiscal federalism argue that intergovernmental transfers should be determined by equity (and efficiency) considerations, so local governments are capable both of providing differentiated public goods to heterogeneous populations and, at the same time, ensuring an even distribution of basic services across all regions (Bird and Vaillancourt 1998, Boadway 2007; Khemani 2007; Musgrave 1959, 1983; Oates 1972; Shah 2006). Moreover, this literature underscores the redistributive dilemmas that any fiscal federalism arrangement entails: if the distribution of the common pool of resources allocated as federal transfers punishes too much richer states they would not

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electoral competitiveness. The measure included in the main models is more intuitive and straightforward to calculate. See Clearly 2010, 203 – 209. The results analyzed below do not change with these alternative indicators.

[22] Ideally, if the information for the federal educational transfers was available for the all the period (1992 – 2009) it would be possible to test if the distribution of these transfers differed under authoritarianism and democracy. Unfortunately, despite several requests to the finance and the education ministries the figures for 1992 – 1995 have been reported as not available in the government archives.

have the incentives to join the fiscal arrangement or they would opt out of it. By entering the fiscal federalism agreement states gave up several of their revenue powers. Consequently the fiscal arrangement needs to be attractive enough -not only in political terms but also in relation to the resources subnational governments receive- so rich states accept to join the fiscal framework. As mentioned previously, analysts of Mexican federalism have emphasized that this second logic has been prevalent in the distribution of federal transfers.

However, when educational services were transferred in 1992, the federal authorities agreed to provide enough resources to states to carry out their new administrative responsibilities. By the same token, the federal government promised to compensate poorer states with funds to overcome the existent educational deficiencies. The ANMEB established explicitly that "the federal authorities will foster a harmonious development of education between states. They will agree with the subnational authorities the necessary actions to reduce and overcome the existent inequalities between states and *will prioritize the regions with educational deficiencies*". Consequently if the intergovernmental transfers in Mexico have followed a redistributive logic, I would expect that richer states would receive smaller educational transfers while poorer ones would receive larger grants. Otherwise, if richer states are compensated by the revenue power they relinquished by joining the fiscal agreement, I would expect that they would receive the largest educational transfers. I measure states' wealth with the GDP per capita logged to facilitate the statistical analysis (INEGI 2010).

In order to test more thoroughly the redistributive argument, I included the proportion of the population living in rural communities by state reported in the census (INEGI) and by the projections of population by CONAPO for several years. Similar to the previous argument if transfers had a compensatory and redistributive nature I expect that states with larger rural populations would receive more transfers to address the more dramatic educational deficiencies in these communities.[23] Furthermore, I use two complementary controls to test this compensatory logic: the number of children younger than 14 years old who do not attend school reported by the education ministry (SEP 2010) and the poverty index calculated by the National Population Council (CONAPO). I would expect that as the number of children not attending to school increases, so would the allocation for educational transfers to solve this problem.[24] Likewise if grants were redistributive states with poorer populations would receive larger transfers.[25]

A minority of states such as Baja California, Nuevo Leon and Veracruz have traditionally financed a large portion of the total public spending in their educational systems with their own resources. Their governors have systematically complained that the arrangement for the distribution of federal educational funds does not take into

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[23] I draw information for the census 1990 and 2000, and the projections of population by CONAPO 1995, 2000, 2005, and interpolate the proportion of rural population for the years in between using the following formula: $Vt = Vt{-}1\ (1 + r)$, where $r = [Vf/Vi]1/5 - 1$; f stands for the value of the final year where the rural population was reported (e.g., 2000) and i stands for the value of the initial census year (e.g., 1995).

[24] The mandatory age for the last school year in lower secondary is 14 years old.

[25] I draw information for the poverty index from CONAPO 1995, 2000, 2005, and interpolate the poverty index for the years in between using the same formula described in the footnote 18.

consideration these funding efforts. Thus, if these complaints are correct I would expect states spending more on education either do not receive larger educational transfers or they receive lower grants from the central government.[26]

Finally, and particular to the Mexican case, in the allocation of educational funds for basic education analysts have constantly reiterated that the size of the state educational system previous to the 1992 reform determined the distribution of these funds. In order to measure the size of the subnational educational systems I use the number of teachers in public schools per state. In the case of basic education and teachers' training colleges, I calculated the number of teachers in public preschools, elementary schools, lower secondary schools, and teachers' training colleges. For the analysis of the total educational transfers I calculated the total number of teachers in all public education institutions (basic education plus teachers in upper secondary, teachers' training colleges and professors from public universities).[27] I would expect that states

[26] The state educational spending data and the enrollment figures for each educational level are collected by the Federal Education Ministry (*Secretaría de Educación Pública* – SEP) with reports from the subnational education authorities. In the case of states' educational budgets the information is collected by the *Unidad de Planeación y Evaluación de Políticas Públicas* through the State Educational Financing Questionnaires. These questionnaires are sent every year by the state education authorities to SEP. The enrollment figures are also reported by the subnational authorities to the SEP. This information is collected through a questionnaire called the 911 questionnaire (*formulario* 911) filled by each principal in the Mexican schools and compiled by the subnational authorities.

[27] In the analysis of additional robustness tests, I used three additional indicators for the size of the state educational systems. The first indicator considered the proportion of teachers transferred by the federal government to the states in 1992 in basic education and teachers' training colleges. The second indicator considered the number of students transferred by the federal government to the subnational education systems (SEP 2010). Finally, I used an indicator developed by Latapí and Ulloa, two Mexican education experts, who used an ordinal scale from 1 to 3 where 3 indicates a state with a state system roughly the size of the federal one, 1 indicates no state system or almost no system, and 2 represents a system somewhere in the middle (Latapí and Ulloa 2000). The results do not change with these different indicators.

with a larger number of teachers in the public education system would receive more educational transfers.

Finally, as it has been pointed out the federal educational transfers were established in 1992 after the signature of the ANMEB. In 1997, when the PRI lost its majority in Congress, the opposition joined forces and pushed for clearer rules for the allocation of conditional transfers, from which the educational funds have been the largest. Consequently in addition to the analysis of the period 1996 – 2009, I also ran the same models for the period 1998 – 2009.

The aforementioned subnational complaints appeared once again in 2007 as the negotiations for a new fiscal reform were undertaken.[28] Therefore as part of these negotiations, Congress changed the Fiscal Coordination Law in order to incorporate a formula for the allocation of FAEB funds, which entered into effect in 2008. I control

[28] In addition to the complaints expressed in the CONAGO meeting in 2004, the governors of Michoacan and Zacatecas threatened the federal authorities of giving back the administration of their basic education system and teachers' training colleges if they did not receive larger transfers (Rivero, Del Valle & Romo 2006; Romo & Del Valle 2006; Romo 2006; Ruiz 2006). As it can be seen, the complaints underscore the incapacity of federal authorities to honor the financial compromise agreed in the education reform in 1992. Moreover, several states continue arguing that the central government does not recognize the states' educational budget efforts. Finally, in several interviews subnational authorities have underscored that federal transfers are a key element in their negotiations with the local sections of the teachers' union (SNTE). They complain that the demands by local teachers' union sections pressure states' budgets and consequently they need to make sure to find the resources to avoid strikes and other disruptive actions by teachers. A state education authority said it very eloquently: "They *(teachers)* always want more and more benefits and there is no state budget capable for satisfying these demands…. Teachers are promised additional benefits in the center and then we are left with the problem of finding a way to deliver something for which we were not even taken into consideration in the first place". (Confidential interview July 20th, 2010). I analyze with more detail the changes of the FAEB funds elsewhere (Fernandez 2009).

for this new formula with a dummy variable for the years 2008 and 2009 when the new regulations began to operate.[29]

[29] Several states complained against the new formula for the distribution of FAEB. Congress allocated compensatory funds for the transition to the new system without establishing a criterion for these additional funds allocated through FAEB transfers.

Table 4.1 Summary of theoretical expectations: determinants of educational transfers in Mexico

	Federal educational transfers for basic education and teachers' training colleges	Total federal educational transfers
POLITICAL VARIABLES		
H1. Disruptive actions in the education sector (t-1)	Positive	Positive
H2. Governor from the same party as the president	Negative	Negative
H3. Margin of victory in last subnational election	No effect	No effect
FEDERAL ADMINISTRATIONS		
H4. PAN federal government	Positive	Positive
CONTROL VARIABLES		
GDP per capita	Negative	Negative
State educational spending per student	Positive	Positive
Number of teachers in public schools	Positive	Positive
Percentage of rural population	Positive	Positive
Percentage of population younger than 14 not going to school	Positive	Positive
Poverty index	Positive	Positive

Table 4.2 Summary Statistics of the Independent Variables

Variable	Observations	Mean	Standard Deviation	Minimum	Maximum
Margin of victory	434	0.120218	0.1032603	0.000421	0.783133
Governor from same party as president	434	0.410138	0.4924262	0	1
Disruptive actions in basic education and techers' training colleges	403	5.813896	11.7912	0	99
Disruptive actions in all education levels	403	7.404467	13.17062	0	113
State spending in basic education and teachers' training colleges	427	2633.439	1944.726	0	9162.54
Total state educational spending per student	410	3369.48	1965.034	90.25636	9787.371
GDP per capita (logged)	434	11.10236	0.3988929	10.28178	11.98668
Teachers in basic and teachers' training colleges (FAEB)	434	28086.91	21619.55	3974	115953
Teachers in all public schools	434	35493.16	27151.71	5395	155155
Poverty index	434	0.050879	0.9635828	-1.47475	2.676763
Percentage of population younger than 14 years old and not going to school	434	6.267392	2.34872	2.988974	15.89193
Proportion of rural poplation	434	0.348341	0.1750162	0.039788	0.728673

4.6. Results and discussion

Table 4.3 reports the results for eight different specifications for the analysis of transfers for public spending in basic education and teachers' training colleges, while Table 4 presents similar models for the analysis of total educational transfers. The first four models analyze the complete period of 1996 – 2009. The last specifications are for the years 1998 to 2009 after educational transfers were formally included in the fiscal coordination law in 1998. For purposes of substantive interpretation, I rely on models 1 and 5. Models 2, 3, 6 and 7 include the alternative indicators for analyzing the redistributive considerations on the allocation of educational grants (percentage of population younger than 14 not going to school and the poverty index). Finally, models 4 and 8 exclude the disruptive actions indicator in order to isolate the effect of the other political indicators, such as vertical divided government, electoral competitiveness, and the PAN federal administrations.

Table 4.3 Political determinants of federal educational transfers per student for basic education and teachers' training colleges in Mexico

Period	**Model 1** (1996 - 2009)	**Model 2** (1996 - 2009)	**Model 3** (1996 - 2009)	**Model 4** (1996 - 2009)	**Model 5** (1998 - 2009)	**Model 6** (1998 - 2009)	**Model 7** (1998 - 2009)	**Model 8** (1998 - 2009)
Δ Disruptive actions (basic and teachers' colleges)	18.239***	17.941***	19.182***		11.328***	11.635***	12.797***	
	[4.944]	[5.006]	[5.443]		[2.735]	[2.833]	[3.327]	
Disruptive actions (basic and teachers' colleges) $_{t-1}$	18.068***	16.373***	18.599***		11.442***	9.321***	10.513***	
	[4.326]	[4.483]	[4.943]		[2.790]	[2.952]	[3.356]	
Δ Governor from same party as president	-308.133**	-313.626**	-325.439**	-298.211**	-335.623***	-320.505**	-331.619***	-315.536***
	[153.321]	[155.540]	[156.840]	[149.534]	[118.300]	[126.133]	[124.766]	[119.873]
Governor from same party as president $_{t-1}$	-209.746**	-166.071*	-175.592*	-219.473**	-446.667***	-323.120***	-358.280***	-448.892***
	[92.137]	[88.775]	[92.059]	[90.075]	[79.730]	[85.406]	[85.890]	[83.838]
Δ Margin of victory	-1,156.526*	-1,246.285**	-1,210.756*	-988.832*	-216.451	-323.184	-310.856	-149.658
	[615.803]	[613.921]	[620.730]	[560.077]	[410.099]	[462.143]	[482.823]	[419.351]
Margin of victory $_{t-1}$	807.958	542.898	610.714	556.007	396.074	-99.903	-80.291	-168.189
	[511.154]	[524.552]	[546.981]	[458.562]	[399.832]	[438.922]	[482.659]	[440.177]
Dummy PAN federal government	895.452**	977.243***	983.899***	857.710**	1,005.707***	1,102.850***	1,091.123***	996.039***
	[370.497]	[367.824]	[367.285]	[382.659]	[219.477]	[251.785]	[247.857]	[222.764]
Δ GDP per capita (logged)	2,840.87	3,991.86	3,947.40	3,323.17	4,016.456***	4,858.418***	4,611.320***	4,197.583***
	[2,372.924]	[2,576.262]	[2,528.575]	[2,519.439]	[1,357.276]	[1,532.256]	[1,532.323]	[1,362.035]
GDP per capita (logged) $_{t-1}$	2,150.25	2,742.132*	2,814.579*	2,431.703*	7,332.318***	8,411.272***	8,367.256***	7,413.223***
	[1,403.926]	[1,657.951]	[1,636.265]	[1,343.924]	[932.509]	[1,165.380]	[1,153.924]	[921.083]
Δ State spending in basic education and teachers' colleges per student	0.113	0.130*	0.076	-0.001	0.036	0.076	0.033	-0.038
	[0.069]	[0.075]	[0.073]	[0.062]	[0.046]	[0.051]	[0.052]	[0.043]
State spending in basic education and teachers' colleges per student $_{t-1}$	0.044	0.039	-0.002	-0.006	-0.023	0	-0.033	-0.071
	[0.066]	[0.070]	[0.070]	[0.068]	[0.048]	[0.055]	[0.058]	[0.051]
Δ Number of teachers in public schools in basic education and teachers' colleges	0.135	0.112	0.156	0.119	0.001	0.011	0.037	0.014
	[0.121]	[0.129]	[0.127]	[0.116]	[0.065]	[0.078]	[0.076]	[0.061]
Number of teachers in public schools in basic education and teachers' colleges $_{t-1}$	-0.025	-0.02	-0.013	0.002	0.024	0.051**	0.065**	0.050**
	[0.019]	[0.021]	[0.020]	[0.019]	[0.021]	[0.026]	[0.026]	[0.020]
Δ Proportion of rural population	-10,334.80			-8,423.02	-12,290.760***			-11,650.535***
	[6,869.742]			[7,179.600]	[4,541.649]			[4,437.769]
Proportion of rural population $_{t-1}$	-5,651.89			-4,466.48	-11,685.630***			-11,726.413***
	[3,650.418]			[3,726.460]	[2,762.961]			[2,786.571]
Δ Percentage of population younger than 14 not going to school		2.595				-7.369		
		[14.665]				[12.778]		
Percentage of population younger than 14 not going to school $_{t-1}$		0.25				-15.901		
		[20.761]				[19.928]		
Δ Poverty index			335.359				3,342.450**	
			[1,136.346]				[1,406.913]	
Poverty index $_{t-1}$			-1,280.224***				-1,002.879**	
			[373.928]				[418.532]	
Years 2008 and 2009	-4.881	75.37	51.418	25.907	-178.867	-72.15	-86.234	-126.032
	[550.423]	[569.462]	[570.725]	[423.580]	[270.988]	[319.737]	[316.367]	[238.625]
Lagged DV	-0.576***	-0.549***	-0.546***	-0.526***	-0.921***	-0.882***	-0.883***	-0.898***
	[0.124]	[0.124]	[0.124]	[0.118]	[0.081]	[0.091]	[0.090]	[0.080]
Constant	-17,770.96	-25,915.87	-28,056.89	-21,837.66	-72,597.098***	-87,652.296***	-88,306.202***	-73,880.497***
	[15,266.266]	[18,635.583]	[18,328.927]	[14,529.370]	[10,346.447]	[13,086.833]	[12,888.669]	[10,198.400]
Observations	360	360	360	391	329	329	329	360
R-squared	0.541	0.528	0.527	0.504	0.799	0.771	0.773	0.776
Number of states	31	31	31	31	31	31	31	31

Note: Dependent variable is change in federal educational transfers per student in basic education and teachers' training colleges. All regressions include fixed effects. Table entries are ordinary OLS estimates corrected for panel-specific autocorrelation. Panel-corrected standard errors are included in the parentheses.
*** p<0.01, ** p<0.05, * p<0.10

The lagged level of educational transfers is significant and negative, with a value between 0 and -1 as required for equilibrium in the error correction model. Results across models show that beyond technical criteria, political considerations drive the allocation of educational transfers in Mexico. There are five main findings:

1) Expressing demands on the streets does pay off for teachers. States where teachers undertake more disruptive actions receive more educational transfers in the short run. Furthermore, teachers' protests have also a long term consequence. All else being equal, for every additional protest led by teachers in Mexico, transfers for basic education schools and teachers' training colleges in their home states would increase in 17.32 pesos per student (approximately 1.2 dollars per student). In other words, if teachers manage to mobilize 10 ten times in a year they would be able to push for 170 additional pesos per student for their states (12.6 dollars per student). The analysis confirms the influence of organized interest groups in the distribution of budgets. The results can be considered perverse from the point of view of the costs associated with these disruptive actions: larger educational budgets are achieved by preventing children from attending school while their teachers are taking their grievances and demands to the streets. These disruptive actions can have negative externalities for other segments of the population. Nevertheless, taking into consideration the responsiveness of democratic institutions to citizens, the results confirm that there are organized groups capable of having their voices

heard by politicians, and that in order to communicate clearly their message carrying out a protest is a valid and useful instrument.

2) Vertically divided government does influence the allocation of education transfers. Governors from the same party do not receive preferential treatment in the distribution of educational transfers. The opposite is true: opposition governors have received on average 210 pesos more per student compared to their colleagues from the ruling party at the federal level. As it was pointed out in the previous section, as the influence of governors on federal legislators from their state increases, it is likely that they push for larger educational transfers. Langston and Rosas (2011) have provided evidence of this stronger persuasive power by governors especially in the case of legislators with less time in office compared than their governor. Interviews I conducted with members of Congress underscored that every governor pushes for additional federal transfers for his or her home states. Nevertheless, under situations of divided government as has been the case since 1997, it is likely that opposition governors are more successful in their lobbying attempts. Federal authorities interested in approving the federal governments' legislative agenda –including the federal budget- are likely to concede additional transfers, including educational grants, to states with governors from a different party in exchange for their cooperation in persuading congressmen for legislative support. Further qualitative and quantitative research needs to be conducted in order to advance our understanding of these negotiations and their budgetary consequences.

3) The findings show that consistent with the theoretical expectations the distribution of educational grants for basic education and teachers' colleges have not followed an electoral logic since 1998. The electoral competitiveness coefficients are not significant in any of the models for the period 1998 – 2009. The same is true if instead of measuring competitiveness in terms of margin of victory I substitute either the winner's total share of the vote or a standard index of partisan fragmentation. However, when the analysis is expanded to include the years 1995 and 1996 there is some evidence that electoral considerations have short term effects on the allocation of the total educational transfers. The differences between the periods under analysis suggest that previous to 1998 the federal government had more leverage on the way educational grants were distributed to the states. It seems to be the case that previous to the 1998 reform, the federal government had "windows of opportunity" to allocate conditional transfers in a more discretionary way to attend electoral needs. As I mentioned in 1997, when the PRI lost its legislative majority, stronger checks and balances began to operate in congress. Unfortunately the missing information for the transfers for the period 1992 – 1995 makes it impossible to explore this issue for earlier periods.

4) The analysis shows that PAN administrations have increased allocations to the states compared to the last four years of the priista president Ernesto Zedillo. Taking into consideration the whole period between 1996 and 2009 on average under PAN governments states have received 895 pesos per student more as educational grants for

basic education and teachers' training colleges.[30] As will be explained in further detail in the following section, the budgetary differences are probably explained by the political alliances that the teachers' union leader have developed since 2000 with both PAN Presidents Vicente Fox and Felipe Calderon. The findings suggest that the teachers' union support for advancing relevant structural reforms and changes in education as well as its electoral services in favor of the PAN presidential candidate in 2006 have been compensated with larger educational budgets. These larger educational budgets include federal educational grants that eventually have been used mainly for paying better salaries and more economic benefits to the members of the SNTE.

5) Results across models suggest that the distribution of educational transfers does not respond to a redistributive logic that compensates poorer states to overcome the educational deficiencies. Consistent with other analysis of Mexican fiscal federalism (Díaz Cayeros 2006, Flamand 2006, Velázquez 2010) and with scholars who have studied educational spending in Mexico (Esquivel 1999, Gershberg 1995; Gershberg & Jacobs 1998; Goodspeed 2002; Merino 1997, 1999), the findings confirm that richer states receive larger educational transfers. Critics of the distributional arrangement have argued that states with rural communities are punished by the federal government because they receive less federal educational funds comparatively to more urban settings

[30] The difference between the funds allocated by the PAN and the last PRI administration is even larger if we only consider the FAEB transfers established since 1998 when they were established under the reform of the tax federal coordination law. As model 5 shows the difference between PAN and PRI federal governments in terms of the educational grants allocated to states increases to 1000 pesos between 1998 and 2009.

(Cárdenas & Luna 2007, Mancera 2011, Villareal 2005). This criticism is particularly valid since 1998 when on average for each additional percentage of rural population states receive 11 685 pesos less. Furthermore, the analyses with the poverty index confirm that states with a larger number of poor people have also received less educational transfers. The coefficient for the percentage of people younger than 14 not going to school is not statistically significant. This finding is consistent with the other indicators that suggest that educational grants are not distributed with the purpose of reducing these negative social conditions.

Two complementary findings are worth underscoring. First, there is no evidence that states' educational spending efforts are rewarded in the allocation of federal educational funds. Likewise, there are no empirical grounds to support the conventional wisdom which argues that the allocation of educational funds for basic education and teachers' colleges responded to an inertial distribution based on the size of the state educational systems in place before the education reform in 1992.

Table 4.4 Political determinants of total federal educational transfers per student in Mexico

Period	**Model 1** (1996 - 2009)	**Model 2** (1996 - 2009)	**Model 3** (1996 - 2009)	**Model 4** (1996 - 2009)	**Model 5** (1998 - 2009)	**Model 6** (1998 - 2009)	**Model 7** (1998 - 2009)	**Model 8** (1998 - 2009)
Δ Disruptive actions in all educational levels	12.599***	13.048***	12.928***		9.612***	10.397***	10.910***	
	[3.701]	[3.869]	[4.039]		[2.069]	[2.241]	[2.509]	
Disruptive actions in all educational levels $_{t-1}$	16.881***	16.266***	16.996***		12.037***	11.189***	12.433***	
	[3.444]	[3.412]	[3.557]		[2.056]	[2.153]	[2.521]	
Δ Governor from same party as president	-284.936*	-283.042*	-284.788*	-249.716*	-357.166***	-352.455***	-361.313***	-316.002***
	[146.848]	[148.850]	[150.112]	[146.086]	[95.158]	[104.717]	[105.903]	[98.211]
Governor from same party as president $_{t-1}$	-195.693**	-172.327**	-183.679**	-197.251**	-439.663***	-388.810***	-426.746***	-431.088***
	[81.452]	[83.275]	[86.131]	[78.442]	[61.765]	[74.074]	[74.395]	[67.230]
Δ Margin of victory	-1,340.967***	-1,496.455***	-1,439.013***	-1,028.314**	-142.088	-295.62	-223.446	92.886
	[516.784]	[532.931]	[545.858]	[499.756]	[364.639]	[398.041]	[406.231]	[336.735]
Margin of victory $_{t-1}$	697.09	414.749	445.58	556.288	360.583	-3.394	-8.913	46.967
	[451.333]	[437.569]	[455.041]	[444.921]	[381.032]	[378.944]	[407.128]	[388.498]
Dummy PAN federal government	806.099**	859.831***	850.225**	772.514**	845.683***	924.396***	903.083***	848.725***
	[340.782]	[333.432]	[335.051]	[349.235]	[187.179]	[200.821]	[194.467]	[186.282]
Δ GDP per capita (logged)	2,216.05	3,030.07	3,075.460*	3,239.40	2,600.587**	3,427.305***	3,289.158***	3,455.489***
	[1,822.619]	[1,867.517]	[1,847.981]	[2,173.016]	[1,036.988]	[1,126.357]	[1,112.867]	[1,068.761]
GDP per capita (logged) $_{t-1}$	1,076.62	1,648.56	1,758.28	1,417.65	5,310.545***	6,167.824***	6,117.546***	5,478.311***
	[1,191.230]	[1,344.229]	[1,329.823]	[1,134.137]	[702.176]	[843.049]	[828.036]	[691.674]
Δ Total state educational spending per student	0.156**	0.151**	0.133*	0.115**	0.111***	0.115***	0.100**	0.081**
	[0.068]	[0.068]	[0.069]	[0.056]	[0.042]	[0.042]	[0.043]	[0.036]
Total state educational spending per student $_{t-1}$	0.117**	0.113**	0.096*	0.086*	0.128***	0.124***	0.106**	0.096**
	[0.050]	[0.052]	[0.055]	[0.052]	[0.039]	[0.043]	[0.046]	[0.039]
Δ Number of teachers in all public schools	0.02	0.023	0.024	0.007	0.022	0.022	0.034	0.01
	[0.043]	[0.046]	[0.042]	[0.040]	[0.028]	[0.031]	[0.028]	[0.027]
Number of teachers in all public schools $_{t-1}$	-0.016	-0.013	-0.011	0.00	0	0.01	0.014	0.017*
	[0.010]	[0.011]	[0.011]	[0.010]	[0.009]	[0.010]	[0.009]	[0.010]
Δ Proportion of rural population	-8,284.288*			-7,224.09	-9,110.607***			-8,471.766***
	[4,986.404]			[5,069.582]	[3,308.550]			[3,147.612]
Proportion of rural population $_{t-1}$	-5,046.564*			-4,270.32	-8,503.266***			-8,204.714***
	[2,602.141]			[2,686.153]	[2,145.722]			[2,168.336]
Δ Percentage of population younger than 14 not going to school		5.277				-5.854		
		[13.094]				[10.675]		
Percentage of population younger than 14 not going to school $_{t-1}$		1.427				-16.424		
		[20.310]				[17.495]		
Δ Poverty index			941.271				4,002.757***	
			[838.673]				[1,277.354]	
Poverty index $_{t-1}$			-540.379**				-591.944	
			[271.071]				[363.387]	
Years 2008 and 2009	91.582	155.314	141.052	101.571	-160.68	-72.528	-87.032	-151.113
	[454.553]	[463.226]	[466.011]	[363.544]	[213.161]	[243.280]	[239.134]	[194.894]
Lagged DV	-0.688***	-0.666***	-0.661***	-0.655***	-0.975***	-0.949***	-0.952***	-0.970***
	[0.128]	[0.129]	[0.130]	[0.126]	[0.074]	[0.081]	[0.079]	[0.074]
Constant	-5,259.13	-12,954.18	-14,756.81	-9,686.48	-50,407.122***	-61,983.498***	-62,083.210***	-52,567.830***
	[13,220.165]	[15,240.984]	[15,054.386]	[12,477.661]	[7,875.501]	[9,550.810]	[9,224.327]	[7,694.976]
Observations	342	342	342	370	316	316	316	344
R-squared	0.57	0.559	0.555	0.539	0.825	0.808	0.81	0.809
Number of states	31	31	31	31	31	31	31	31

Note: Dependent variable is change in total federal educational transfers per student. All regressions include fixed effects. Table entries are ordinary OLS estimates corrected for panel-specific autocorrelation. Panel-corrected standard errors are included in the parentheses.
*** p<0.01, ** p<0.05, * p<0.10

Finally, table 4.4 presents the results for the total federal educational transfers per student. The models used have the same specifications described in the previous analyses but include the total disruptive actions carried out by all actors in the education sector. The results across models reiterate the budgetary consequences of taking demands to the streets. For every 10 additional protests observed in the educational sector in Mexican states, subnational governments receive 168 pesos more via federal educational transfers. Furthermore, opposition governments do also benefit with larger educational grants (on average 195 pesos per student more). As it occurred in the case of FAEB funds, the results show that electoral considerations have not driven the allocation of the total educational grants since 1998. The results for the controls are consistent with those estimates of FAEB transfers.

I subjected the previous models –both for FAEB transfers as well as for the total educational transfers- to robustness checks not reported here due to space constraints. The inclusion of other indicators of electoral competitiveness, although imperfect as explained in footnote 20, had no effect on the main results. I also used ordinary least squares with robust standard errors clustered by state. The important results were unchanged. Finally, I used a different kind of model to assess if the equilibrium assumption behind the error correction models previously used was correct. I used panel data analysis (multiple observations for each state across time) with fixed effects and used both aforementioned techniques the OLS with panel-corrected standard errors with panel-specific patterns of first-order autocorrelation and ordinary least squares with

robust standard errors clustered by state. The results obtained are equivalent to the long term coefficients of the error correction models. The main results and size of coefficients were unchanged.

Table. 4.5 Summary Determinants of educational transfers in Mexico (1996 – 2009) A. Political factors

	Transfers per student for basic education and teachers' training colleges	Total federal educational transfers per student
Collective action		
Δ Disruptive actions in education level	Positive	Positive
Disruptive actions in education level $_{t-1}$	Positive	Positive
Partisanship considerations		
Δ Governor from same party as president	Negative	Negative
Governor from same party as president $_{t-1}$	Negative	Negative
Dummy PAN federal government	Positive	Positive
Electoral considerations		
Δ Margin of victory	Negative	Negative
Margin of victory $_{t-1}$	No effect	No effect
Reform to Federal Fiscal Coordination Law		
Years 2008 and 2009	No effect	No effect
Number of states	31	31
Observations	360	342

Table 4.6 Summary Determinants of educational transfers in Mexico (1996 - 2009) B. *Socioeconomic factors*

	Transfers per student for basic education and teachers' training colleges	Total federal educational transfers per student
Socioeconomic factors		
Δ GDP per capita (logged)	No effect	No effect
GDP per capita (logged) $_{t-1}$	Positive	No effect
Δ State spending per student in education level	No effect	Positive
State spending per student in education level $_{t-1}$	No effect	Positive
Δ Number of teachers in public schools in basic education and teachers' colleges	No effect	No effect
Number of teachers in public schools in basic education and teachers' colleges $_{t-1}$	No effect	No effect
Redistribution concerns		
Δ Proportion of rural population	No effect	Negative
Proportion of rural population $_{t-1}$	No effect	Negative
Δ Percentage of population younger than 14 not going to school	No effect	No effect
Percentage of population younger than 14 not going to school $_{t-1}$	No effect	No effect
Δ Poverty index	No effect	No effect
Poverty index $_{t-1}$	Negative	Negative
Number of states	31	31
Observations	360	342

4.7. The importance of political alignments for educational transfers: the SNTE and its political influence

When the PRI lost the presidency in 2000, the teachers' union leader Elba Esther Gordillo adapted to the new circumstances by attempting to develop political linkages with the new government while maintaining its influence over the former hegemonic party. The PRI underwent a restructuring process for renewing its national committee by adopting an electoral process among members and sympathizers. Elba Esther Gordillo joined the former Tabasco governor, Roberto Madrazo, in a formula for the secretariat general and the presidency of the party. The electoral mobilization of the teachers' union would be crucial in this process and worked in favor of the Madrazo-Gordillo formula. However, once in power the political alliance with Madrazo deteriorated rapidly. Madrazo's ambition to become the future presidential PRI candidate pushed him to attempt getting absolute control over the party's structure and provoked tensions with the teachers' leader. Moreover, Gordillo's political relationship with the Fox administration provoked opposition among several PRI leaders. Nevertheless, after the midterm elections in 2003, Gordillo became the leader of the PRI legislative group in Congress and promised president Fox new negotiations for the approval of structural reforms in the energy sector, in the public workers' pension system, and a fiscal reform.

La Maestra strengthened her relationship not only with the president but with his wife, Martha Sahagun. The union printed millions of copies of a parents' booklet elaborated by *Fundación México*, an NGO through which the first lady attempted to

increase her popular support. Teachers distributed near twenty six million copies of the "family guides" in all public schools. Moreover, the union signed on August 8 2002 the Social Compromise for the Quality of Education. This document was an agreement between federal authorities, subnational governors, Federal congress, the teachers' union, the national associations of public and private universities, the national parents' association, the business community and the media on which all the parts concurred to develop measures for improving the quality of education. The agreement was vague about the policy proposals to advance the quality of education but politically allowed the union and its leader to present themselves as promoters for educational change rather than an obstacle to it. In the compromises section the federal and subnational authorities agreed to find the means to improve the benefits and salaries of teachers. Moreover, the document explicitly established that federal and state authorities with Congress would develop measures to increase educational spending up to eight percent of GDP.

The political relationship with the federal government paid Gordillo's off both politically and economically. The SNTE was capable of improving the benefits for its members with the funds received from the federal government. Fox increased the budget for the teachers' housing institute (VIMA, *Vivienda Magisterial*) with 900 million pesos.[31] Additionally the federal government delivered 450 million for a technology

[31] Several corruption accusations surrounded the teachers' housing program. Audits have shown misuse of the resources, complaints about construction materials and the location of the housing complexes. Despite these accusations the program benefited substantially with funds from the federal government. According a report by the weekly magazine *Proceso*, the Fox administration has been the most generous with the teachers' union. Salinas gave

program through which thousands of teachers would eventually receive their own personal computer. Furthermore, Fox named three close Gordillo's collaborators to his cabinet: Benajamín González Roaro became the director of the social security institution for public workers (ISSSTE), Miguel Angel Yunes was named Subsecretary of Public Security in the Interior Ministry, and Tomás Ruiz was appointed director of the National Lottery. Finally, Gordillo's son-in-law was appointed general director of the Teachers' Training Colleges in the education ministry.

As Gordillo became closer to Vicente Fox, the tensions between her and the PRI president increased. Madrazo criticized her ties with the federal administration and promoted a revolt among PRI legislators in Congress. Madrazo broke his alliance with the union leader and eventually managed to stop the approval of the referred reforms. He operated in favor of the replacement of Gordillo as the PRI deputies' leader, and eventually pushed for her expulsion from the party. The teachers' leaders denounced Madrazo publicly as a traitor and swore vengeance. In a move that proved again the political muscle of the SNTE, Gordillo formed a new organization, the Democratic Federation of Public Employees Unions (Fedessp, *Federación Democrática de Sindicatos de Servidores Públicos*), a new competitor of the old Federation of State Workers Unions

16 197 million pesos to teachers through the decentralization agreement. Ernesto Zedillo with whom the teachers' leader had a tense relationship provided the union only 1 580 millions, but Vicente Fox delivered 41 333 million with funds for computers, the housing program and other benefits (Gil 2009).

(FSTE, *Federación de Sindicatos de los Trabajadores al Servicio del Estado*) which had traditionally grouped all federal bureaucratic unions and been a long ally of the PRI. The new organization attracted more than 80 percent of the total members of the old FSTE. Even more, in order to increase the union's political independence Gordillo transformed a political organization, *Conciencia Política*, into a new political party known as PANAL. This party would be now the official party of the teachers and after the 2006 elections would have their own representatives in Congress with nine deputies and one senator.[32]

Madrazo eventually became the PRI presidential candidate. The secretary general of the SNTE, Rafael Ochoa, openly declared a war against him. He pointed out that the PRI was "underestimating Gordillo's influence and the union's power". The SNTE had near 1,350,000 members from whom, according to Ochoa, 80 percent would be priista and elbista. The rest were PRD or PAN supporters. He openly defied the PRI and claimed that "every teacher can influence at least 5 votes in her family. Moreover, the teacher is a social leader, has influence in her community, in the school, in the working place and with parents, and despite that there could have been a negative influence of other parties in the past, those as us who have promoted the PRI previously will eventually show their influence when the election comes. What goes around comes around" (Gil Olmos 2005). Madrazo and the PRI leadership thought the SNTE was a

[32] The representation of teachers went beyond the PANAL legislators. Other teachers would become congressmen through the PAN and the PRD.

paper tiger, but ultimately felt the fury of angry teachers. In every campaign act, in every rally and meeting, teachers appeared and denounced Madrazo as a liar and a untrustworthy candidate.

As the presidential campaign approached its end and the election became closer and closer between the frontrunner, the perredista Andres Manuel Lopez Obrador (Mexico City's former mayor) and the official candidate, Felipe Calderon, Gordillo approached both parties to reach an electoral agreement and strengthen her influence. Lopez Obrador was certain of his advantage and, as Madrazo had recently done, underestimated the teachers' mobilizational capacity. He refused any agreement with the SNTE. In contrast the PAN candidate agreed to continue a political alliance similar to the one observed with President Fox in exchange for the teachers' support. In the end, Calderon became elected president in the closest election in Mexican history with 0.56 percent vote margin while the PRI candidate registered a distant third place.

Since December 2006 one of the main political allies of president Calderon has been *La Maestra*. Like his predecessor, Calderon appointed several of Gordillo's collaborators to his cabinet. The general director of the ISSSTE, the general director of the National Lottery, the technical secretary of the National Security Council were all political appointees linked to the teachers' leader. Moreover, the Undersecretary for Basic Education has been Gordillo's son in law. As part of this political alliance, *La*

Maestra worked in favor of the Public Workers' Pension System reform which was approved within the first six months of Calderon's administration.

One year later, on May 15th within the teachers' day, the federal government and the SNTE signed the National Alliance for Education (*Alianza Nacional por la Calidad de la Educación*, ACE). This educational reform would become the first major attempt to transform the educational system after the decentralization of educational services in 1992. Several measures were announced to improve the quality of education:

1. An open selection process for new federal teaching posts. Up to this time, teachers were selected under an obscure process under high patronage and corruption practices.
2. The implementation of standardized tests for third to ninth grade students as well as for upper secondary schools.[33]
3. The reform of *Carrera Magisterial*, an incentive performance pay program established in 1992, which has been criticized for being ineffective as an instrument to recognize the best teachers and that has been criticized as one of the instruments of control by the union over its members. The new evaluation system under *Carrera Magisterial* would take into consideration the students' performance on the national standardized tests known as ENLACE.
4. A universal evaluation system for all teachers in basic education.

[33] The national standardized tests known as ENLACE were implemented at the end of the Fox administration for all students from fourth to nine grades. In 2007 the standardized tests were implemented in third grade, and from ten to twelve grades.

5. The implementation of the School Councils for Parents' Participation which had been approved since the education reform of 1992 but that had not operated in most of the schools (SEP 2008).

The educational reform is underway and the final result is still unclear. Some reports have pointed out flaws with the new selection mechanisms. Despite opposition by teachers in several states, between 2008 and 2011 a little more than 81,000 full time teachers have been selected through the new open contest (SEP 2011).[34] The political alliance between Calderon and the SNTE has had a positive effect on the resources allocated to basic education. Teachers have continued obtaining salaries larger than the inflation rate. The technology and the housing program have kept growing. Even more the compensation program for teachers living in regions who had received in the past lower salaries than their counterparts in richer states has grown more than 15 percent while *Carrera Magisterial* have received additional resources to the original budget approved by Congress (GEA 2008). In summary, the political alliance of the teachers' union with the PAN administrations has been economically beneficial for its members.

[34]Thousands of teachers marched in different states opposing measures that considered curb their rights and privileges. Particularly two of the most contested points have been the open contest for the teaching posts and, in the case of Michoacan and Oaxaca the resistance for the evaluation mechanisms for students and teachers. These states in addition to Colima, Guerrero, San Luis Potosi, Sinaloa, and Zacatecas decided not to participate in the open contest for federal posts in their states. Furthermore Baja California, Guanajuato and Quintana Roo announced that the teachers' posts financed by state resources would continue with the traditional selection mechanisms. These traditional practices have been highly corrupt with posts for sale and teachers' inheritance rights for children and other close relatives. Ulises Ruiz, governor of Oaxaca in 2008 established clearly that "the implementation of the Alliance for Education in Oaxaca is contingent to the approval of the union section (section 22)… Teachers have their own mechanisms to improve the quality of education" (GEA 2008). The disruptive capacity of teachers in these states proved to be an effective persuasion mechanism to avoid policies contrary to their interest.

Larger educational budgets and more substantive educational transfers have been allocated between 2001 and 2009.

4.8. Conclusion

The main theoretical contribution of this chapter has been to explain how the collective action capacity of organized groups in the education sector influences the distribution of educational spending. This chapter shows that teachers are by far the most organized actors in the education sector in Mexico and use their organization capacity via different disruptive actions to have their voice heard and served by the politicians who make the educational budgetary decisions.

The empirical evidence covering the 31 Mexican states from 1996 to 2009 shows that a disruptive strategy by actors in the education sector pays off with larger federal educational transfers to the states where these events took place. The denunciations, marches, demonstrations, sit-ins, strikes, hunger strikes, occupation of schools and other government buildings, road blockades, acts of vandalism, kidnapping and lynching of government authorities by teachers, unionized administrative workers and by students have yielded significant economic dividends for the educational sector.

Moreover, statistical results show that governors from the opposition have received greater increases in federal educational transfers than their counterparts who belong to the same party as the president. With the exception of 1996, Mexico has had divided government at the national level for the entire period under analysis. Consequently, legislative negotiations have pushed the federal government to build larger

legislative majorities to have its budgetary proposals approved. Federal educational transfers are among the most important items contained in the federal budget and have formed part of the policy packages negotiated yearly in Congress. Interviews conducted between 2005 and 2010 in Congress confirmed the political rationale for these budget negotiations.

As explained in a previous work the educational transfers were established in 1992 as one of the conditions for the approval of the decentralization of educational services, which had been under discussion for two decades (Fernandez 2011). Nevertheless, the determinants of the initial distribution of these transfers continue to be a black box. Some analysts have suggested that this initial distribution could have responded to a strategy to recover votes for the PRI by allocating more resources in states where the opposition presidential candidate Cuauhtemoc Cardenas had more electoral support (Gershberg 1995). Unfortunately, the information corresponding to these years is not available to test this argument thoroughly. Nevertheless, the evidence under analysis shows that since 1998 the competitiveness of subnational elections have not directly driven the distribution of educational transfers.

Further, the new competitive dynamic of elections and pluralism in Mexico has made governors increasingly relevant actors in the political scene. Their capacity to influence the behavior of federal legislators has grown. In the fall of every year when the negotiations over the federal budget take place there is a *gubernatorial runway* to

Congress to obtain more resources for their states. Among their multiple demands, governors know that educational resources will be necessary to complement their educational budgets. These educational grants will be useful to respond to pressures by actors in the education sector who eventually will demand additional benefits and better working conditions in their states.

The distribution of federal educational transfers confirms that the teachers' union is one of the most important political actors in Mexico. Its disruptive capacity as well as its electoral mobilizational power makes it a strong and powerful ally and a dangerous enemy. Its members have been successful in using their collective action capacity to obtain more economic benefits. During the last two decades the public educational spending has more than doubled from a total of 254,000 million pesos to approximately 626,000 million in 2010. Most of this educational spending has been used for salaries and benefits of teachers and other workers of the education sector. A recent poll among teachers in public schools has shown that 80 percent of them reported owning their own house, 63 percent have their own car and 74 percent have a computer (Ortega 2011).

The larger budgets and better salaries contrast with the results obtained in terms of investment in educational infrastructure and the quality of the education provided by teachers in the Mexican classrooms. According to a report by the education ministry, in 2007 80 percent of the public schools in basic education had maintenance problems. Two out of 10 students went to schools without clean water, while 60 percent of students

attended schools without sewage system. Three out of ten schools did not have electricity and 80 percent of the schools did not have a telephone line (SEP 2007). In 2009, only 47.3 percent of the public elementary schools had at least one computer with internet connection. In contrast 85.9 percent of private institutions had access to this technology. In lower secondary schools the difference is also dramatic: only 37.2 percent of public schools had access to internet while 92.1 percent of private institutions had these services (INEE 2011). Furthermore, the results of both national and international standardized tests reveal significant challenges ahead with respect to improving the quality of education. Despite some progress during the last six years, the majority of pupils still have insufficient or low levels of educational performance, both in language and mathematics (Fernández 2011).

The educational budgets are not being spent correctly. Recent audits led by the Auditoría Superior de la Federación -the authority in charge of verifying how the federal resources have been spent – show that FAEB funds have been misspent in several states (ASF 2008, 2009, 2010; Comisión de Educación y Servicios Educativos 2009). Although these resources are legally earmarked, in practice governors have exercised ample discretion over them without legal consequences. For example, teachers have being paid their full salaries with FAEB funds despite being on absentee leave as commissioners for the union. An important education federal authority recognized recently that although "states cannot legally do what they please with the FAEB funds in practice they use them as part of their own budgets… *There is no way to control how they*

use these funds" (Del Valle 2001). Therefore, it is not surprising that governors have pushed for larger educational transfers. This demand is consistent with the disruptive behavior of the actors of the educational sector who benefit from these additional resources. As will be analyzed in the following chapter, this collective action capacity influences not only the allocation of federal educational resources but also subnational education budgets and their distribution among educational levels.

The literature on fiscal federalism has traditionally pointed out that a strategic behavior governs the allocation of federal grants to subnational governments. The two competitive explanations for how electoral considerations influence the distribution of federal grants –the distribution toward core supporters and the argument for the allocation toward places with likely swing voters- assume that the president has a wide control over the allocation of these resources. Nevertheless, as the evidence provided in this chapter shows, electoral considerations are weaker under conditions of divided government which limits presidents' discretionary powers over the distribution of federal grants. This essay joins an increasing literature which has pointed out the need to disaggregate the type of transfers allocated toward subnational governments in order to have a better understanding of the political rationale of their allocation (Bonvecchi and Lodola 2011).

The findings also contribute to the discussion of the distributive consequences for fiscal federalism arrangements. As I underscored, when educational services were decentralized toward states in 1992 the federal government argued that the federal

educational funds for decentralization were going to follow a compensatory logic. Nevertheless, the empirical evidence does not support the federal government's promise. The results show that richer states receive larger educational transfers while states with more rural communities obtain fewer grants from federal authorities. Poverty considerations have being overlooked in the distribution of federal educational grants.

Beyond Mexico, this chapter makes a theoretical contribution to the study of political regimes and the provision of public goods. First, it makes a strong case that organized interest groups influence the way public goods are allocated. Second, it suggests that the rationale of the median voter that has been dominated the literature on public goods provision needs to be qualified in light of the influence of organized interest groups who varied political strategies –including disruptive collective action- to make their demands heard. In the analysis of the politics of public goods provision, the role of interest groups must be taken seriously, otherwise our conclusions may suffer from omitted variable bias.

5. The Struggle for Resources in the State Education Systems in Mexico

5.1. Introduction.

It was the morning of May 18^{t} 1992, and at the National Palace all Mexico's governors -- with the exception of the single non-priista state executive of Baja California-- gathered together with the new General Secretary of the Mexican teachers' union (SNTE), to sign the National Agreement for the Modernization of Basic Education in Mexico (ANMEB). The agreement changed the administration of the education sector. It put the states formally in charge of the labor relationship with all the teachers of the 56 sections of the SNTE. Most of them would be forced to develop the political skills and the administrative infrastructure to gain control over their new educational responsibilities as well as to start a series of budgetary negotiations with the teachers' union.

Until the day ANMEB was signed, only five states had made significant efforts to provide education services to their citizens through their own means. In the State of Mexico, Nuevo Leon, Baja California and Jalisco, a little bit over 40 percent of the teachers and students in elementary and lower secondary schools as well as in teachers' training colleges formed part of the state educational systems. In contrast, Morelos, Querétaro, Oaxaca, Tamaulipas and Hidalgo had all their schools of the aforementioned levels under the control of the federal government. In the rest of the country, despite the

fact that there were some schools financed by the subnational authorities, most of the educational services were also provided by the central government.[1]

Today, two decades after the signing of the ANMEB, all the schools in the basic education sector are under the control of the subnational authorities. In addition, multiple institutions at the upper secondary and tertiary education levels are financed by the states. However, there is great variance in the subnational education budgets. As analyzed in the previous chapter, states are still highly dependent on federal transfers in order to be capable of carrying out these education responsibilities, but all of them have been forced to supplement these resources with funds from their own revenues.

In parallel, we observe a clear movement towards more competitive elections at the subnational level. Most of the states have experienced a ruling party turnover and a growing number of political parties are being represented in local legislatures. Has democracy made a difference in the state government spending on education? Which interests are being served in the allocation of funds for this social policy at the subnational level? How have these interests influenced policymakers to make sure their demands are acted upon? Are the expenditure priorities the same for governors facing more competitive scenarios and negotiating with more pluralistic legislatures as for state executives with a majority in the local congress and large margins of electoral victory? Does partisanship make a difference in educational spending? In sum, what are the

[1] The size of the state education systems in 1992 is shown in Appendix 5.1.

politics surrounding the distribution of budgets for education in Mexico after twenty years of educational decentralization?

In this chapter, I show that the organized groups in the Mexican education sector are capable of extracting resources from the subnational governments by using their collective action capacity to take their budgetary demands to the streets and make their voices heard by the elected authorities. Nevertheless, these disruptive actions are only effective in the case of the teachers' union (SNTE). The findings at the subnational level confirm the previous evidence of the unions' capacity to influence budgetary decisions. The teachers' union sections obtain resources from both levels of government ---the federal and the subnational authorities--- and have benefited from the decentralization of education policy. In contrast, workers, professors and students from public universities have, on average, been unsuccessful in obtaining larger budgets through disruptive means, despite using the streets as a vehicle to express their demands for more funds to go towards tertiary education. Moreover, although the electoral competition in Mexican states has intensified, there is no evidence that these competitive scenarios have had a positive effect over the distribution of funds toward education.

Curiously, the partisan consequences for the budgets of education are more limited in Mexico than what others have found for advanced economies. In the basic education sector, governors' ideology does not make a difference for levels of spending. In contrast, in the case of tertiary education, it has been the Christian right-wing governments of the PAN which have channeled more resources toward public

universities than their left and left-center counterparts. These findings confirm the need to disaggregate the spending in order to have an understanding of the distributional struggles for educational budgets. Moreover, the results suggest that the interests served by each educational level are different and that the political factors that dominate the budgetary decisions are also distinct.

I rely on subnational units for hypothesis testing for four reasons: (1) they allow me to control for other institutional factors that could influence budget decisions; (2) they help me to diminish problems associated with generalizations derived from aggregate national data that conceal significant variation within countries (Snyder 2001); (3) they avoid problems of data comparability both across education levels, and among spending figures reported by national agencies and used in cross-national studies (De Ferranti 2003, Stuart et al. 2006); and (4) the dynamics of the interaction between organized groups inside the education sector and governments is more effectively captured at the state level.

The chapter is organized as follows. First, I briefly review the literature on decentralization and the provision of public goods. Second, by taking into consideration theoretical contributions on the politics of educational spending, I analyze how these explanations can travel to the subnational level in Mexico. I underscore that previous work has played down the role of the main beneficiaries of expenditure decisions; i.e. the teachers' unions and other organized interests groups in the education sector. Third, I review the process through which governors have become central figures in their states

and sketch out hypotheses about the way in which the different competitive scenarios observed in the Mexican states play out in the provision of public goods such as education. Fourth, I test the proposed hypotheses in this chapter and show that in states with higher levels of protest by teachers, governors have allocated more subnational resources to basic education but not to the tertiary sector. The findings confirm the power of the teachers' union to extract resources from governments through a disruptive strategy. Contrary to the cross-national work that associates more competitive elections with more educational spending, I show that elections do not have a direct effect on education budgets at the subnational level in Mexico.

Finally, I discuss how institutional mechanisms such as strict term limits and the blurred responsibilities that accompanied the decentralization of education, undermine the direct effect of electoral competition on educational expenditures. I further argue that the political power of the union is an attractive asset for politicians to obtain votes. By having the expectations of using the teachers' union mobilizational capacity to attract voters, Mexican governors from political parties across the entire ideological spectrum make efforts to develop political alliances with the SNTE to strengthen their electoral fortunes. In this way, the electoral calculations are not absent from the politicians' budgetary decisions, but are mediated by the interests of the teachers' union. Finally, I conclude with a discussion on the implications of the findings for the study of educational reform and educational spending in new democracies such as Mexico.

5.2. Decentralization, federalism and pubic goods provision

During the 1980s and 1990s, academics and public policy practitioners alike believed that the decentralization of different policy domains would increase the efficiency with which public services are provided. By bringing closer the authorities in charge of these services and by subjecting public spending priorities to local demand, there would be a virtuous circle of good governance and better results for citizens' welfare. Influential works such as Tiebout (1956), Coase (1960) and Oates (1972), led promoters of decentralization to believe those citizens' demands would be served more effectively because the information on the performance of government institutions would be more transparent and available to them. State and local governments would compete in getting the best results for individuals, who would always have the option to vote with their feet and move out if subnational authorities did not satisfactorily meet their demands. Decision makers would also be better informed of voters' needs, as they are the authorities in more direct contact with citizens compared to the remote relationship with the central government.

Under a similar rationale, promoters of new development strategies thought of decentralization as the way to end the corrupt practices that had emerged in the production of public services during the years of statist development. In this sense, decentralization would bring more transparency and discipline to the use of fiscal resources (Weingast 1995). Moreover, more benefits for citizens' welfare would follow, since decentralization promotes experimentation and innovation in public policy

(Kotsogiannis and Schwager 2004). “Mobility" is, from this perspective, an effective tool against predatory tendencies in the public sector and a driving force for government professionalism (Oates and Schwab 1988).

Decentralization was also seen as a route to limit authoritarian regimes and facilitate the emergence of democratic practices. Adopting an old argument developed by Alexis de Tocqueville about the virtuous relationship between federalism and democracy, political scientists, government officials, activists of non-government organizations, and bureaucrats of international organizations such as the World Bank, the Inter-American Development and the OECD emphasized that decentralization would deepen the third wave of democratization that began to emerge during the early 1980s (Rondinelli 1989). These international organizations gave important loans to developing countries in order to implement decentralization policies (Treisman 2007).

Under the perspective of public management, decentralization would produce more responsive decision-making, higher quality services, and bureaucracies with a stronger motivation to perform well in their jobs. Fearful of unsatisfied customers who would be more capable of paying attention to the authorities responsible for the quality of public services, state and local governments were expected to improve the way education, health and even security services were provided.

However, reality has proved to be much more complex than well-intended policy prescriptions and sophisticated formal models suggested. For example, in the developing

world many federations appear to be systematically associated with mismanagement, large fiscal deficits, and market failures, rather than with the virtuous results suggested by normative public economists (Beramendi 2009; Perry and Dillinger 1999; Wibbels 2000; Wiesner 2003). Rather than improving the amount and quality of public goods, competition among jurisdictions can lead to lower levels of these goods when subnational authorities engage in a "race to the bottom" that forces them to lower local taxes to compete for economic agents. Contingent on their institutional arrangements, some federal states have been forced to pick up the bill after local governments incurred important amounts of debt (e.g. Argentina). Rather than opting for financing public goods through local revenue, many subnational governments pressured the central authorities for the allocation of more resources (Prud'homme 1995; Wibbels 2004) and used different strategies, including disruptive politics, to advance their fiscal requests (Treisman 1996; and see the discussion in the previous chapter for the case of Mexico). Thus, in matters concerning the effects of decentralization, the devil is in the details. For example, in federal systems highly dependent on federal transfers, states are likely to demand more bailouts (Fernández et al 2005; Roden 2002; Rodden and Wibbels 2002). However, under circumstances in which states have more fiscal autonomy, subnational governments internalize the benefits of their economic progress and of responsible fiscal behavior. As a consequence, these subnational authorities are more likely to create a market-preserving environment.

On the other hand, federalism has not brought the compensatory redistributive consequences promised to member states, but has instead frequently increased inequalities across regions, especially when richer provinces only agree to give up several of their taxing powers when they were sure that the allocation of the common pool of funds would not be detrimental to what otherwise they would have collected by themselves (Beramendi 2003; Díaz-Cayeros 2006; Pierson 1995). In this sense, it is necessary to emphasize that distributional concerns play a fundamental role in the selection of federalism versus decentralization, and consequently they also do it in their design (Beramendi 2009).

In political terms, the decentralization of power to subnational governments has brought mixed results because in recurrent cases, strong elites from authoritarian enclaves have been able not only to survive the decentralization process, but have consolidated their political prerogatives (Cornelius 1999; Gibson 2005; Snyder 2001). If institutional frameworks such as effective checks and balances are weak, then we are likely to observe less transparent resource allocations at the subnational level as local governments' resources end up being captured by non-democratic local elites and local administrations (Bardhan and Mookherjee 1999; Krishna 2003). In consequence, as I will discuss in more detail below, some scholars have questioned the capacity of local elections to guarantee the emergence of more effective and accountable leadership and a better provision of public goods (Hiskey and Seligson 2003).

Negative experiences in both the developing and the developed world have reminded us that neither the end of corruption nor the efficiency in public administration are a necessarily consequence of decentralization. Blurred responsibilities between levels of government have opened the door to diluted accountability and evasion of policy commitments (Grindle 2004; Montero 2001). In this sense, for decentralization to have the desired effects (i.e. a greater responsiveness to local preferences, and a greater accountability and efficiency in the provision of public goods) several conditions must be met. First, subnational governments must possess sufficient administrative capacity to carry out their tasks (Bird and Rodriguez 1999; Grindle 2007). Second, they need to have the necessary resources to provide the public goods in question and to be subjected to hard-budget constraints. Third, voters must be capable of holding their local authorities accountable through fair subnational elections. At the same time, for this to be possible, certain institutional arrangements are necessary, such as clarity in the assignment of government responsibilities, checks and balances operating both at the subnational level (e.g. institutionalized local legislatures) and at the national level, legal mechanisms that allow for transparency in the use of public funds, and mechanisms such as reelection that strengthen the possibility of electoral accountability.

Recent research has assessed the impact of many institutional and political factors that mediate the way federalism works. The constitutional powers of the national executive, the formal representation of subnational units within the national policymaking arena, and the organization of party systems are all institutional ingredients

with an effect on the political and policy dynamics between central authorities and state and local governments (Willis et al 1999).

In summary, the effects of decentralization on a) macroeconomic results, b) efficiency for public policymaking, c) provision of public goods, d) possibilities of effective accountability over elected officials, and e) increased responsiveness toward citizens' demands are far from clear. The growing literature on decentralization reminds us that it is necessary to consider how decentralization processes are implemented. Litvack and his colleagues are right on target when they remind us that "to debate whether decentralization is good or bad is unproductive and misleading since the impact of decentralization depends on design." (Litvack et al. 1998 p. 26).

Furthermore, skeptics of the unavoidable benefits of decentralization correctly point out that it is not clear why voters would be better informed about local than central government performance. As Treisman ironically highlights "One can observe whether the Central Bank is keeping inflation low as directly as one can observe whether a local school board is managing schools well" (Treisman 2007 p.13).

Finally, it is necessary to underscore that as shown in the previous chapters, when analyzing the consequences of decentralization it is essential to observe how the actors potentially affected by them can have the capacity to mediate and capture the emerging structures when public functions are transferred toward lower tiers of government. The experience of the 1990s in Latin America, in which several governments in the region

implemented economic reforms that reduced the size of the state by privatizations, portrays how vested interests are a key element in the political economy of policy reforms. Privileged beneficiaries, service providers and their unions, sector bureaucrats, and even politicians who use social services as patronage pools are unlikely champions of reform. Moreover, as potential benefits are diluted and/or costs are concentrated, the resistance of these vested interests to change their privileged positions strengthens (Gans-Morse and Nichter 2008; Haggard and Kaufman 1992; Hellman 1998; Schamis 1999). Similar patterns in the behavior by actors potentially affected by the decentralization of public services such as education have been observed. Teachers resist decentralization when it is considered a potential threat to their privileges. If political and institutional conditions are favorable, for example if they have monopoly of representation and access to large resources to carry out protests and other disruptive actions, teachers' unions make sure to influence the terms of implementation, as the Mexican case clearly illustrates.

5.3. Theoretical motivations

5.3.1. Democracy, competitive elections and educational budgets

As reviewed in the theoretical chapter, a large literature has emphasized that popular participation in government empowers ordinary citizens and makes governments more prone to serve their constituencies' demands correctly As political elites compete for voters' support, they are likely to be more accountable to the citizenry, or at least to a

plurality of the voting electorate. Democratically elected authorities are expected to be more concerned with issues of human development than leaders who maintain power through other means (Lake and Baum 2001).

In contrast to authoritarian regimes, democracies have competitive elections which lead to electoral accountability and responsiveness of authorities that, while looking to continue their political careers, are aware that if they distance themselves from their electorate there is a high chance they will be voted out of office. Politicians' responsive behavior as a result of their fear of losing the next election is at the center of many prominent analyses of legislative politics. For example, Mayhew (1974) argues that members of Congress are "single-minded seekers of reelection" and consequently sensitive to the accountability nature of elections. Likewise, Cain, Ferejohn and Fiorina point out that "if representatives wish to remain representatives, their behavior will be calculated to please constituents" (Cain et al 1987 p.6). Under this view, politicians are office seekers who compete in serving a larger selectorate to achieve their political survival (Bueno de Mesquita et. al 2003; Root 2005). In other words, in a competitive market for votes, elections align the behavior of politicians with the preferences of their constituencies (Baum and Lake 2003).

Furthermore, from the point of view of individual rights and civil liberties, democracy is characterized by freedom of the press, and the liberty to protest and express citizens' demands. Provision of public services is a consequence of extending these political rights, such as a free press. A more open press submits governments to more

scrutiny and potential criticism if they do not give the correct performance when in office (Sen 1999). In the case of education, comparative evidence from the advanced economies and developing countries confirms the positive effects of democracy on the provision of school services and educational spending (Ansell 2010; Brown and Hunter 2004; Lindert 2002; Rudra and Haggard 2005; Stasavage 2005).

Nevertheless, recent studies have challenged this vision and have questioned the benefits of democratic governance for the provision of human development (McGuire 2006: Ross 2006). Although studies have shown that the democratization process has increased social spending, the evidence is not robust (Filmer and Pritchett 1999; McGuire 2006; Ross 2006). Recent studies have provided a way to reconcile these inconsistencies. In order to observe the effects of democratic governments over wellbeing, it is necessary to consider the age of democracy. New and old democracies do not have the same policy results. As democratic processes age, the institutional procedures to make decisions develop roots in societies (Kapstein and Converse 2008; Keefer 2005). Undoubtedly, political regimes develop legacies which make an imprint on the way politics are conducted in a country (Collier and Collier 1991; Hite and Cesarini 2004). Once we make these distinctions and analyze the effects of the "country's stock of democracy" over public policies, then it is possible to support the thesis that democracy has a strong and robust influence on countries' current level of human development (Gerring, Thacker, & Alfaro, 2006).

For young and older democracies alike, the bottom line is that competitive elections provide the incentives for politicians to behave in a way closer to serving the electorate than their authoritarian counterparts. Therefore, in the case of education, competitive elections should be expected to generate larger educational budgets. This effect should be stronger in the education levels with larger social consequences, as is the case in basic education.

Electoral competition and educational spending.

H1. The level of electoral competition will have a positive effect on education spending. This effect will be stronger on basic education.

5.3.2 Organized groups on education and their influence over educational budgets

The central theoretical contribution of the present work revolves around the argument that the allocation of educational budgets is contingent on the collective action capacity of actors in the education sector. These actors use different strategies, disruptive actions being a key element in their behavior, to influence the distribution of funds in education. As was pointed out both in the theoretical chapter and in the chapter on the politics of distribution of federal transfers, since most educational spending is concentrated on salaries and benefits, it is expected that the main beneficiaries of budgetary decisions on education are the teachers and workers in general in this social sector.

These actors have different organizational capacities, which are contingent on multiple factors such as monopoly of representation versus fragmented organizations, number of members, access to economic resources, and their capacity to colonize the bureaucracies in charge of overseeing their behavior in their jobs. As a sign of their political strength, some of these organizations have been able to transcend the specific area of education policy to perform electoral functions and gain spaces of representation in the legislative arena. This is notably the case of the teachers' union SNTE, which with the monopoly of representation over 1.2 million members and a monthly income of 10 million dollars in membership dues, is capable of carrying out hundreds of marches, protests, sit-ins, streets blockades, strikes, hunger strikes, government building occupations, and even lynching activities in order to ensure their economic demands are met by governments. In addition to this mobilizational capacity, the union has colonized practically all the structures of the basic education system including principals, inspectors, superintendents, and teachers' academic trainers. As will be explained in further detail in the next chapter, the strength of the union has allowed it to gain several positions in both the federal and local congresses, as well as in the Senate. At least 48 of the current top positions in the education ministries of Mexican states are in the hands of the unions.

The teachers' union is arguably the most powerful organized group in the country. Thus, the Mexican education system reminds us that politicians do not hear all voices

equally and that, as Olson identified a long time ago, organized groups have differentiated means to influence governments' decisions (Olson 1965).

Taking into consideration the extent of membership or union density, teacher unions at the basic education level are stronger compared to the teachers and professors' organizations in high schools and public universities. Furthermore, when the monopoly conditions of unions disappear or are absent, as is the case in upper secondary and tertiary education in Mexico, then the negotiation capacity of these actors erodes because they begin to compete for members and resources. In the case of a fragmented upper secondary system, coordination among teachers is harder to achieve. The multiplication of union representations weakens their bargaining power with the education authorities. Governments take advantage of the competition of interests in order to reward political allies while punishing and disregarding the demands of unfriendly unions and nonunionized teachers. A similar phenomenon occurs at the university level, with a multiplication of unions whose membership is loyal to their particular institution. Public university unions are not an encompassing single national organization, but a myriad of unions each representing one public institution.

In spite of their fragmentation and smaller size, the unions in public universities are frequently joined in their demands for more resources toward the tertiary education sector by student organizations. These actors also try to influence politicians' decisions on budgets for public universities, with similar disruptive strategies as those performed in

the education unions. Student organizations, however, have weaker institutional arrangements to facilitate their mobilization. These collective groups are social movements, and do not have access to the constant influx of economic resources to carry out their demonstrations in the same way as the unions of the education sector do. They lack the "selective incentives or constraints over followers, nor are they bound by institutional routines" (Tarrow, 1998). As a result, students in public universities are traditionally politically intermittent actors. They demonstrate under favorable political opportunities with the purpose of defending common purposes when they feel aggrieved and trust that their demands will be satisfied by acting collectively (McAdam, MCCarthy, & Zald, 1996).

Taking into consideration the organizational characteristics of the different interests in the public education sector, it is possible to expect that they have a differentiated capacity to influence governments' decisions on the distribution of resources in this sector.

Union strength and the distribution of resources across education levels.

H2. States with larger levels of teacher protest from the basic education sector will spend more on this education level.

H3. States with more protests in the tertiary education sector will have larger educational budgets for public universities, but the effect of these disruptive actions will be smaller than the demonstrations carried out by the teachers from the basic education level.

5.3.3 Legislative pluralism, divided government and educational spending.

Competitive elections also have an effect on how institutions work. As competition increases it is likely that legislatures become more important institutions, as members of Congress begin to use their constitutional powers for policymaking and overseeing the performance of the executive branch. Competitive elections then institutionalize legislatures as real lawmaking bodies in charge of approving budgets to serve the electorate (Beer 2003; Solt 2004). Contingent on the electoral systems, more competition is likely to increase the number of parties represented in Congress. This is particularly true under systems where proportional representation determines the transformation of votes into seats.

Cross-national evidence suggests that as the effective number of parties in Congress grows, government expenditure increases. Under multi-party legislatures, party leaders prefer to include projects favored by opposition parties rather than face the uncertainty of forming a minimum size winning coalition. Consequently, the incentives for what Scartasini and Crain (2002) called "modified universalism" increases, leading to larger budgets. Under universalistic tendencies, it is likely that those goods such as education which are perceived as highly attractive for most of the electorate will be privileged in the budgetary considerations in Congress. Thus, in the case of education spending, as the effective number of parties grows, funds for this social sector are likely to grow. This is particularly true for basic education, which is the education level with broader social consequences. However, budgets for tertiary education are expected to also grow as voices with links to public universities push as part of the universal legislative coalitions for more resources to the tertiary sector. Although it is expected that in general, larger educational budgets will be the consequence of more legislative pluralism, the effects are likely to be stronger on basic education.

Effective number of parties in Congress and educational spending.

H4. As the effective number of parties in Congress grows, so too will educational budgets. The effect will be larger for basic education compared to the tertiary education sector.

Similarly, when levels of competition lead to divided government, legislatures are even more likely to become a source for checks and balances, with stronger incentives to also monitor the activities of unelected bureaucracies. Under these conditions, the coordination dilemmas between legislators for the approval of budgets increase as every legislator tries to allocate material benefits to her electorate (precisely because of the incentives of competitive elections). Given that education is a valence issue it is expected, as would be consistent with the overall effects of democracy over education spending, that in matters of education, divided governments will outspend vis-à-vis states where the governor has a majority in Congress.

Divided government and educational spending.

H5. Divided governments will spend more than governments where the executive has a legislative majority. These expenditures will be focused more on basic education than on tertiary education.

5.3.4. Electoral budget cycles, turnover and the effects on educational spending

Complementary hypotheses related to the dynamic of electoral considerations have to be considered in the present analysis. Several scholars have paid attention to how politicians try to manipulate budgets right before an election in order to increase their chances of reelection (Alesina and Roubini 1992; Blais and Nadeu 1992; Drazen 2000). In election years, government spending increases while revenues fall, leading to a large fiscal deficit. As incumbents' access to rents in developing countries is higher and the institutional

constraints on politicians' ability to use public resources and policies for private gains are larger, the cross-national evidence argues that electoral budget cycles are more common on these countries than in advanced economies (Shi and Svenson 2002). As will be explained in further detail in the next section, the discretionary use of public funds by governors in Mexico has increased as they have become the most relevant political figures in their states. Although in certain competitive states there are more institutionalized legislatures (Beer 2003), the congress represents an effective mechanism of checks and balances, but this is still far from perfect at the subnational level. Thus, it is possible to expect electoral budget cycles on educational spending If such cycles exist, it is particularly likely that we would observe them on basic education because a) the number of potential beneficiaries from the voters' perspective is larger, and b) because of the potential gain of the political support of organized interests (the SNTE's sections)

Electoral budget cycles and educational spending.

H6. Spending on basic education will be larger in an election year.

H7. Tertiary educational spending will not be subject to electoral budget cycle dynamics.

Following the logic of political regimes and public goods provision, and consistent with the findings in the developing world in which countries that have recently transited toward democracy have allocated resources toward education in order to

strengthen the political legitimacy of the new elected authorities, it is expected that states with government turnover will spend more on basic education but not on tertiary due to the reasons given above on the electoral cycle dynamics of educational spending (Stasavage 2005).

Turnover and educational spending.

H.8 States with turnover will spend more on basic education than states with the same party in government.

H.9 There will be no effect of government turnover on tertiary educational spending.

5.3.5. Political parties, ideological considerations and educational spending

The role of parties' ideology on policymaking has a long tradition in political science literature. Research on the welfare state of advanced economies has shown that the different worldviews and constituencies of political parties have driven the amount and structure of social expenditure. Governments from labor based left-wing parties have stronger redistributive concerns and have provided more extensive subsidized social services such as education. In contrast, incumbents from secular right and center parties have non-generous welfare states with scanty budgets for social services. Finally, Christian Democratic parties in OECD countries are found to favor generous welfare

states, but with a less inclusive and redistributive profile. They rely more on private provision of social services (Bradley et al. 2003; Castles 1982; Hicks and Mishra 1993; Huber et al. 1993; Huber and Stephens 2001; Swank 1992). In the specific case of education, left-wing parties in advanced industrial countries tend to increase public funding (Busemeyer 2007; Boix 1998; Ansell 2010).

In Latin America, populist parties have squeezed investments in human capital, probably to protect pension spending (Kaufman and Segura 2001). Recently scholars have continued exploring the consequences of partisanship for social expenditures. In a series of articles, Huber, Stephens and his colleagues have argued that even though political parties have little programmatic cohesion, only shallow roots in civil society, and revert frequently to clientelistic practices to approach voters (Ameringer 1992; Ames 1995; Mainwaring and Torcal 2006), there is still a space in public policy for ideological preferences to make a difference. Consequently, applying the logic of the aforementioned literature on OECD countries, they argue that left-wing parties are also more concerned with redistribution and as a consequence, are expected to favor social spending. Nevertheless, the empirical evidence is far from conclusive in support of these statements (Evelyne Huber, Mustillo, & Stephens, 2008; Evelyne Huber, Francois Nielsen, Jenny Pribble, & John D. Stephens, 2006). In the Mexican case, Hecock finds weak support of the partisanship effects over primary educational spending. However, further testing is in order, as his analysis covers a limited time frame (1999 – 2004) and only 29 Mexican states. Furthermore, in his models the only partisanship consideration

incorporated into the analysis is the PRD effect, leaving the reader puzzled as to the reasons why the author left out the PRI, a left-center oriented party and long-term hegemon in Mexico, with control of the largest number of subnational governments. In order to test thoroughly the partisanship considerations of the effects over educational spending, it is necessary to include all political parties with left-wing orientations.

It is important to emphasize that there are regressive components of education expenditures. Research on Latin America has underscored that expenditures on tertiary education are regressive, given that most of the public attending public universities comes from the upper segments of the income distribution (de Ferranti et al. 2004, p. 263–64; Scott 2003 for Mexico; Wodon 2003). The Economic Commission for Latin America and the Caribbean (ECLAC) has shown that in eight countries in the region, the most progressive types of expenditures are public spending for primary and lower secondary education (ECLAC 2002 p.26). Similarly Lindert and his colleagues conclude that a large component of public educational spending has a generally progressive profile (Lindert, Skoufias, and Shapiro 2006). As shown in the appendix, while 58 percent of young Mexicans (19 – 23 years old) of the richest decile have access to tertiary education, only 4.9 percent and 8 percent of the young Mexicans in the last two income deciles go to a university.[2] Therefore, if the effects of partisanship in Mexico were similar

[2] Comparative data from the OECD confirms the repressiveness of tertiary education spending. The average expenditure in the OECD countries indicates a regressive pattern, with close to 30 percent of tertiary education expenditures going to the top quintile of the income distribution. This, however, hides considerable cross-country variation. The regressive pattern is most pronounced in Estonia and Me**xico,** where the poorest 20 percent receive less

to what has been observed in other OECD countries, we would expect that left-wing parties should spend more on the education level with the most progressive component, i.e. basic education.

However, as noted in the theoretical chapter, two caveats are in order. Partisanship is expected to be less relevant in the allocation of public resources toward primary education but influential in the distribution of funds for the tertiary level. Traditionally, many studies of democracy and redistribution have assumed that the middle classes support right-wing parties, while the poor vote consistently for the left (Lipset, Lazarsfeld, Barton, & Linz, 1954). Nevertheless, in countries where the poor are still a large proportion of the electorate, it is possible to suggest the following hypothesis: right-wing parties do need to canvass the poor in order to broaden their electoral support base. This is particularly more true in the case of Christian right-wing parties which have a more organic worldwide view in which the subsidiarity principle establishes that the state needs to step in where the family and the community are unable to provide (van Kersbergen 1995; Mainwaing and Scully 2003; Hawkins 2003). Right and left parties then compete for the votes from the poor, and social spending, and primary educational spending in particular, is a good tool for this purpose.

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than 8 percent of tertiary education spending while, in the Nordic countries and Germany, this group accounts for 25 to 51 percent of tertiary education services. (OECD 2011 p. 320).

Moreover, as it will be discussed in more detail in the results section, in the case of Mexico, given the political strength of the teachers' union, it is expected that politicians from the entire political spectrum are likely to serve the budgetary demands of this organization in order to avoid its disruptive behavior and gain its electoral support.

Ditto re the disputes for the support of the poor, as middle classes begin to be more relevant, as is the case in countries such as Mexico (De la Calle and Rubio 2010), the left-wing parties need to support public policies to c the votes from middle class families. As is shown in the appendix, young people from the middle class are the ones who typically attend at this education level. Given that public universities have been constant recruitment centers for members and the leadership of the left, it is expected that parties with this ideological profile will be more likely to spend more on tertiary education.

In summary, in the case of basic education, there are two competing hypothesis to test:

Partisanship and spending for basic education.

H10. Left-wing parties spend more on primary education.

H11. There is no partisanship effect over primary educational spending.

Partisanship and spending for tertiary education

H.12 Left-wing parties spend more on tertiary education compared to Christian right-wing parties.

5.4. The changing role of governors in Mexico: from political centralization to subnational feudalism.

In constitutional terms, Mexico has had a long history as a federalist country. In practice, it was a highly centralized system with power and resources concentrated in the national executive. For most of the 20th century, the National Revolutionary Party (PRI) ruled Mexico as a hegemonic party, winning every presidential election from 1929 to 1994 and controlling all governorships until 1989. The authority within the party itself was also highly concentrated in the hands of the President. As states gave up several of their tax powers in exchange of political security and monopoly of representation under the PRI, governors and local authorities deferred to the will and policy preferences of the federal government, fearful of the negative consequences of potential indiscipline (Diaz Cayeros 2006, Falleti 2010). The centralization of power was possible because of three political conditions: unified government, party discipline, and the President's position as a party leader (Weldon 1997, 2002). Overall, for most of the period of the PRI's rule, Mexico had a "tight, centralized, top-down control" from the executive branch of the federal government rather than the federalism, division of power, and checks and balances envisioned in the country's Constitution (Cornelius 1999, Nacif 2002).

Nevertheless, the dominance of the PRI eroded gradually over time. Several factors favored a transition to democracy in Mexico: (i) recurring economic crises; (ii) repression against different actors such as doctors, rail workers and students; (iii)

electoral reforms as answers from the regime to different political crises such as the violence by guerrilla movements during the 1960s and 1970s and the emergence of an indigenous rebellion in the southern state of Chiapas in 1994; and (iv) the growing anger of a middle class that little by little lost its fear of voting for opposition parties.[3] The process started when the PRI lost the first state government in 1989 (Baja California) and accelerated in 1997 when the party lost its majority control of Congress. Finally, in 2000 the former hegemonic party lost the presidency.

In parallel and also as a consequence of the democratization process in the country, the decentralization of policymaking gradually gave back the control of different services and resources to state and local political actors. As seen in previous chapters, the decentralization process of policymaking in Mexico was at first a top-down initiative, but then accelerated as a bottom-up demand from the states to the federal government.

Technocrat officials, persuaded by the proposals of efficiency and accountability that dominated scholarly and international circles, favored this decentralization process as part of the solution for the economic crisis that exploded during the early 1980s (Aspe 1988). "The central government after all, decides why, where, what, and how to decentralize" (Rodriguez 1997 p.7).

[3] There is a large literature on the democratization process in Mexico. Three recent and complementary overviews of this process can be found in Greene (2007), Magaloni (2007) and Trejo (2012).

The decentralization process was also seen as a mechanism of protection for the PRI. In 1989, for the first time a non-PRI governor was elected (Baja California's Governor, Ernesto Ruffo from the PAN). The opposition was gaining political terrain and its growth needed to be insulated. The distribution of funds for social programs toward competitive terrains was one strategy to accomplish this goal (Estevez et al. forthcoming). In an analysis of the distribution of PRONASOL funds (a poverty alleviation project that funneled resources through subnational actors), Molinar and Weldon demonstrate that the decentralization of this program responded to a political logic intended to regain electoral support for the ruling party (Molinar and Weldon 1994). In this sense, the federalization promoted by the administration of Carlos Salinas (1988 – 1994) paradoxically revealed a centrist decision-making style of government. Despite multiple discourses about the importance of decentralization and the long tradition of federalism, his government focused on reestablishing the power of the presidency and addressing the crumbling legitimacy of the PRI (Kaufman and Trejo 1997). As a token of this political logic, during his government sixteen governors were pressured to resign, were replaced, or were promoted out of office. Under these circumstances, and after the political negotiations with the SNTE described previously, Salinas implemented an educational reform in 1992.

When President Ernesto Zedillo (1994 – 2000) arrived in power, he introduced an ambitious agenda of "New Federalism" in part as a response to the 1994 peso crisis and the increasing pressure by opposition governors and mayors of large cities. During his

term eight states were governed by the opposition. These new political actors had emerged from competitive elections and their political future did not depend on their discipline and relationships with the President. Even PRI governors resisted temptations against federal intervention in subnational political affairs[4] and demanded fiscal compensation and transfers to compensate for what they considered unfair treatment from the central government[5] (Mizrahi 2004; Ward and Rodriguez 1999).

In 1996, Zedillo continued the process of decentralizing educational services by putting states in charge of building all new schools and transferring to them the administration of the National Colleges of Professional and Technical Education (Colegio Nacional de Educación Profesional Técnica CONALEPS) and of the schools for grown-ups in 1999 (Instituto Nacional de Educación para los Adultos - INEA). Zedillo, who had been the Education Minister in charge of implementing the education reform of 1992, was convinced that the decentralization of education would produce a better education and more responsible subnational governments:

> "After its federalization, education is reaching greater numbers and with better quality to boys and girls in poor communities…We can declare without doubt that

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[4] Roberto Madrazo in Tabasco resisted the Interior Ministry's attempts at his removal after the scandal of the electoral fraud that had marked his election. The PRD had pressured Zedillo to get Madrazo's resignation, but the federal government failed to deliver on its promise. The political conditions had changed and limited the "metaconstitutional" powers of the Mexican President.

[5] Patricio Martinez from Chihuahua, who recovered the State for the PRI in 1998 after six years of PAN rule, entered into a dispute with the federal government. He tried to register and tax almost two million illegal cars in Chihuahua, using the argument that keeping the revenues for the State coffers was just. The federal government opposed this proposal using the argument that the taxing of cars fell under federal jurisdiction and threatened to cut all federal transfers to this state. In response to this conflict, Zedillo issued a decree to legalize 750,000 illegally imported pickup trucks. Furthermore, as the opposition controlled Congress, they approved a bill to legalize two million illegally imported cars.

thanks to the federalization, Mexicans today have a better education system" (Presidencia de la República 1999).

Nevertheless, the tension between giving back responsibilities to subnational authorities and keeping control over key aspects of the services transferred to states continued to dominate the decentralization process. As Zedillo admitted "It has transferred, and will continue to transfer enormous resources, attributions and power to state and municipal governments, but the Federal government keeps, as I have pointed out, its legal powers of supervision, technical assistance and technological transfer" (Presidencia de la República 1999).

During Zedillo's six years in government, the journey for larger federal transfers toward the states continued, as well as the devolution of services such as health to the states. New funds were also allocated toward subnational authorities for their distribution to local governments. With new resources transferred to states, the locus of politics shifted to subnational resource distributors. Governors started to be the most influential actors in their states. Politicians needing resources for their careers, either in the local congress, as potential mayors, or when aspiring to a legislative seat in the federal Congress or the Senate, started to look to the governors for resources.[6]

[6] As was pointed out previously, before the democratization process and the increasing decentralization, governors were not powerless in their territories. But they depended considerably in their relationship with the center, especially with the President, in order to obtain federal resources and advance their political careers.

In December of 2000, Vicente Fox became the first non-PRI President in Mexico's history. The PRI's defeat represented the culmination of a steady process of regime change in which Mexico transitioned from a "dominant party authoritarian system" into a competitive democracy (Greene 2007; Magaloni 2007). The informal institutions that had given cohesion to political actors in the federalist system disappeared. Several formal constitutional rules and actors who had long been muted suddenly began to appear in the political arena. Simultaneously, the Mexican President realized that considering his constitutional powers, he was one of the weakest executives in Latin America.

Fox faced a much more plural environment with 23 governors and the Mayor of Mexico City belonging to a different party and with the PAN as a minority party in Congress. Fox himself had been a governor and spoke about the importance of decentralizing power. His initiative "Program for Authentic Federalism" had the goal of giving states and localities more control over their fiscal, political, and administrative lives.

Since 2001, governors have grown more assertive in calling for reform of Mexico's fiscal federalism. In 2004 they pressured the federal government to convene a national tax convention. There was a consensus on the need for reforming the revenue sharing system and promoting more decentralization, but the paths proposed to achieve these goals were dramatically different. The Fox administration continued to insist that

the value added tax (VAT) was the best mechanism to increase the tax revenue and privileged a strategy to increase the subnational tax collection. The federal government is still responsible for collecting near 90 percent of all tax revenue. In contrast, governors demanded a bigger size of the resource pie and fewer strings attached to federal grants. At the end of the convention, no specific legislative agreement was reached. The tax initiatives of 2002 and 2003 had been rejected by Congress and the administration concluded that it would not pursue any other attempt to change the general fiscal coordination law and the fiscal code. Nevertheless, the governors were able to continue extracting larger federal transfers (both conditional and unconditional) for their benefit.[7]

On December 1st of 2006, Felipe Calderón took the presidential oath of office in Mexico's Chamber of Deputies in the middle of protests by leftist legislators who considered him an illegitimate president. Calderón was elected in the closest election in Mexican history with just a 0.6 percent difference in the votes, with the left candidate and former Mayor of Mexico City, Andrés Manuel López Obrador, in second place. As had occurred with Fox, most of the governors and the Mayor of Mexico City belonged to an opposition party. With 206 out of 500 congressmen and 52 out of 128 senators, the PAN government was forced to negotiate intensively with the opposition. His legislative agenda with political conditions became even more complicated because the PRD

[7] The main proposals discussed in the national fiscal convention can be found at http://www.indetec.gob.mx/cnh/

considered Calderón had won due to electoral fraud and illegal support from groups such as the SNTE.

The political conditions favored the subnational attempts to continue pressuring the federal authorities for more resources. Gubernatorial autonomy from the national government has continued to grow. Governors have become political leaders in their states, influencing their state party delegations to Congress (Cantú and Desposato 2011, Langston and Rosas 2011). In December, 2006, when the new federal administration had just started, there was a discussion of a proposal to tax soft drinks 5 percent. State executives showed their growing political power. The PRI governors of Coahuila, Oaxaca, Quintana Roo and Sonora pressured PRI senators to oppose the bill because they thought it would hurt the producers in their states (Salazar et al. 2006).[8] The bill was rejected in the end.

The federal authorities understood the new importance of their subnational counterparts. Therefore, some months later as part of the federal government strategy to have its fiscal bill approved in Congress, they included several rules in the proposed fiscal law so in exchange of larger federal grants, governors would pressure legislators for their approval (Guerrero, 2007). The bill was intended to increase the tax revenue to 3 percent of the GDP, from which 1 percent would be allocated to states. Furthermore, governors of states that had oil fields or refineries pressured for special funds to

[8] Even the mayor of Mexico City, Marcelo Ebrard tried to persuade PRD senators to vote against the bill.

compensate for the environmental activities of PEMEX (the national oil company) in their territories. Pressures concentrated in PRI states (Campeche, Coahuila, Hidalgo, Nuevo León, Oaxaca, Puebla, Tabasco, Tamaulipas and Veracruz), but also came from the Governor of Chiapas (PRD) and even included two PAN governors (Guanajuato and San Luis Potosí).

The bill would increase the tax for gasoline. This new tax would be collected by the states. Calderón argued that the proposal was taking suggestions from the National Fiscal Convention and was a response to the governors' requests for more resources. Nevertheless, the PRI and PRD legislators refused to endorse the mechanism and demanded that the PAN pay the political cost of the new tax. The PAN was forced to concede and voted with the PRI in favor of the changes. Thus, the federal government is now in charge of collecting these additional resources and has to transfer them directly to the states.

The pressure by the opposition to increase the resources for governors has continued. In November of 2011, the PRI in Congress pushed a reform in the Revenue Law of the Federation (Ley Federal de Ingresos) through which the Finance Ministry acquired the obligation of delivering on-time the unconditional transfers (participaciones). The PRI also changed article 260 from the Ley Federal de Derechos in order to make federal transfers from oil revenues more transparent. Nevertheless, as a result of an alliance between the PAN and PRD senators, the PRI failed in its attempt to increase from 20 percent to 25 percent the unconditional transfers to the states.

Moreover, Congress extended until 2014 the obligation for the federal government to allocate approximately 30 percent of the revenue from gasoline sales.[9]

Table 5.1 Opposition Governors in Mexico (1988 – 2012)

President	Beginning of presidential term	End of presidential term
Miguel de la Madrid (1982 - 1988)	None	None
Carlos Salinas (1988 - 2000)	None	3
Ernesto Zedillo (1994 - 2000)	3	8
Vicente Fox (2000 - 2006)	24	25
Felipe Calderon (2006 - 2012)	25	25*

* The governors from Oaxaca and Sinaloa were elected under a grand electoral coalition against the PRI. Both governors are former PRI members.

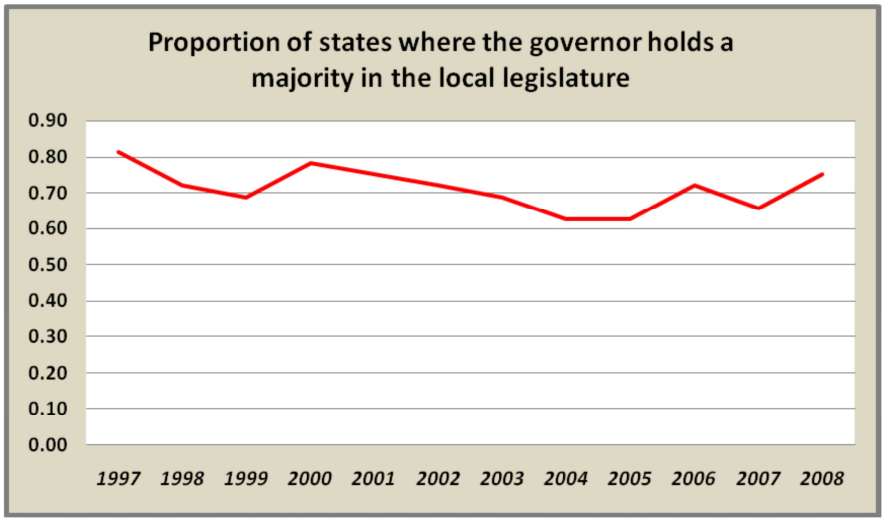
As a consequence of the increasing decentralization and the growth of resources transferred toward Mexican states, subnational and local governments increased their levels of public spending. In the case of subnational governments public spending grew 147 percent between 1990 and 2011. Municipal public spending grew 150 percent. Furthermore, while in 1989, 76 percent of the total public spending in Mexico was done by the federal government; in 2007 federal expenditures only represented 43 percent of

[9] From each peso coming from gasoline sales, the federal government has to allocate to the states 36 cents in the case of magna gasoline, 43.9 cents in case of premium gasoline, and 29.8 cents from diesel sales.

the total public spending. States are now the big public spenders in the country with 46 percent of total public spending, while 11 percent is spent by local governments. Furthermore, the expenditures for public payrolls have also increased considerably. Between 2000 and 2007, expenditures for salaries in municipal governments grew 68 percent in real terms, and 29 percent in the case of state bureaucracies. In contrast, federal expenditures on salaries grew just 15 percent (Pardinas and Granados 2010).

The governors' access to increasing public funds has occurred in the context of uneven democratization at the state and local level (Cornelius et al 1999; Fox 1996; Gibson 2005; Giraudy 2010; Guillén López 1995; Lujambio 2001; Snyder 2001). Between 1996 and 2008 a large proportion of governors had legislative majorities in Congress as can be seen in figure 5.1. Until 2008, there were still seven state governments in which no political party other than the PRI had controlled the executive and legislative branches of state government (Hiskey 2010).[10] However, the effective number of parties in the subnational legislatures and the states which have experienced turnover have grown during this period.

[10] In 2010 Oaxaca, Puebla and Sinaloa joined the states with a government different from the PRI. However, all candidates were former PRI members who broke with the party for not having received their support to become the governors' candidates.

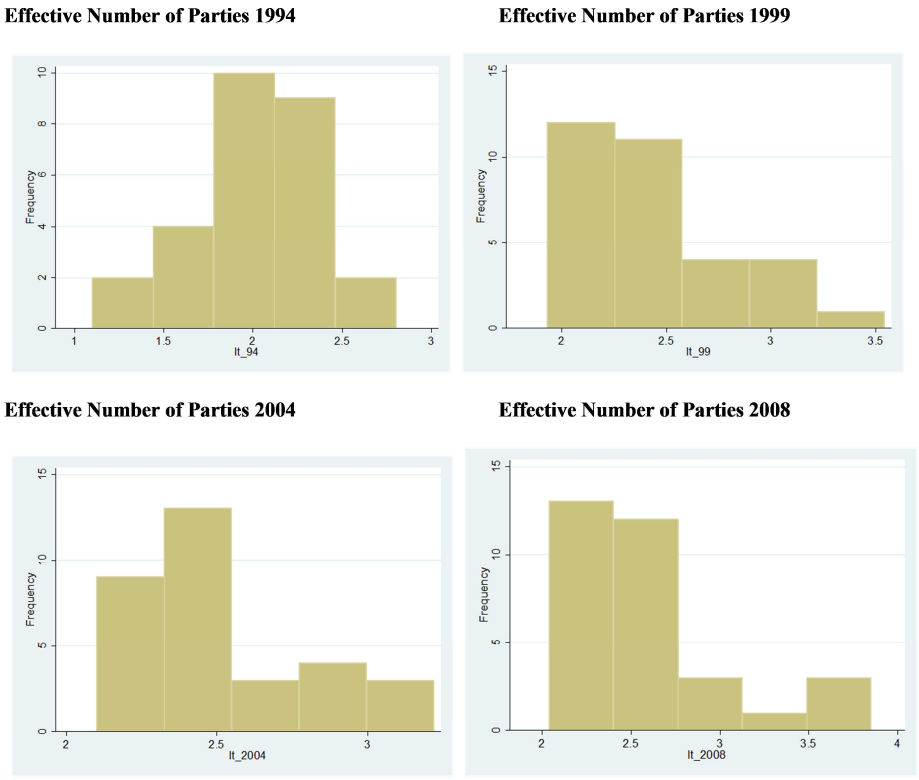


Source: Author's calculations based on information by CIDAC, state electoral institutes and subnational legislatures.

Figure 5.1 States with unified government

With control over these large budgets, governors have become the most important political figures in the states. As has been pointed out, they have great influence over the selection of political parties' candidates (Langston and Díaz Cayeros 2003). Additionally, the lack of adequate institutional legal frameworks has allowed them to use the new generous budgets with important margins of discretion (IMCO 2011, Merino 2010; Ríos y Cejudo 2009). Civil servants in Mexican states are selected not by merit, but according to their political connections, clientelistic practices and political loyalties (Martínez 2005). The accountability mechanisms in state governments are weak despite the fact that electoral dynamics have led to the institutionalization of some local legislatures in competitive states (Beer 2003). This accumulation of power in the hands

of governors has led several analysts to consider governors masters or feudal lords, unfettered by any counter-weight. Under this view, Mexico has passed from a presidential monarchy to state-based feudalism (Rubio 2011, Zuckerman 2010).



Authors' calculations with information from CIDAC, the state electoral institutes and subnational legislatures.

Figure 5.2 Effective number of parties in local legislatures

Consistent with the theoretical hypothesis presented in the previous section, governors in competitive settings are expected to behave differently than subnational executive hegemons in their states. Similar to the literature that has compared the provision of public education services of democracies v i s - à - v i s authoritarian regimes (Brown 1999; Brown and Hunter 2004; Stasavage 2005), it is possible to anticipate that governors in competitive settings are compelled to be more generous in the allocation of subnational budgets for education than their counterparts in non-competitive states. Governors facing close elections are dependent on a broader support base and need to keep their electoral connections with their constituencies if they want to maximize the probability of political survival and continue their political careers (Mayhew 1974; Baum and Lake 2001, Root 2005; Bueno de Mesquita et al. 2003). Given that the electoral market in which these governors compete is more contested, the margins for predatory government practices are reduced, and the probability of a better provision of public goods such as education increases (Sen 1999; Baum and Lake 2003). These governors would more actively exercise the transferred responsibilities on education policy defined in the reform of 1992.[11]

[11] In fact, consistent with this hypothesis that governors in more competitive areas behave differently from their colleagues in uncompetitive scenarios, there is evidence that state executives facing electoral challenges have obtained more fiscal autonomy from the central government and have provided more public goods to their citizens (Beer 2003). Nevertheless, it is not clear if education is among these more abundant public goods.

5.5. Empirical strategy

To assess the impact of organized groups in the education sector over the allocation of educational budgets in Mexican states, the subsequent empirical analysis draws upon a data set covering the 1996 – 2009 time period in 31 Mexican states for which appropriate data on educational spending is available.[12] There are two dependent variables. The first is the subnational education spending per student in basic education. The second dependent variable is the state educational spending per student in tertiary education.[13] It is necessary to underscore that in the case of these subnational analyses, the teachers' training colleges are included as part of the tertiary education sector. Both indicators are in constant 2009 pesos.

The statistical estimations use the same kind of models as presented in the previous chapter: fixed-effects error correction models that have become standard in recent research on government finance.[14] The model used is the following:

$$\Delta Y_{i,t} = \beta_0 + Y_{i,t-1}\,\beta_1 + \Delta X_{i,t}\beta_2 + X_{i,t-1}\,\beta_3 + \varepsilon_{i,t},$$

[12] Mexico City is not included in the analysis. When decentralization of educational services for basic education and teachers' training colleges was implemented in 1992, federal authorities decided to keep control over Mexico City's education system. This system is financed directly by the federal government. For the analysis of basic education, Oaxaca was excluded because their authorities did not report their budgets to the federal authorities. In the case of the models for tertiary education, Chiapas was excluded because most of their budgets for tertiary education were missing.
[13] It is necessary to underscore that in the case of these subnational analyses, the teachers' training colleges are included as part of the tertiary education sector. However, in the allocation of federal educational transfers the FAEB funds includes these colleges together with the schools of basic education.
[14] See, for example, Iversen and Cusack 2000; Kaufman and Segura-Ubiergo 2001; Rodden 2003; Remmer 2004; Wibbels 2006; and Morrison 2009. See also Beck 2001 and 2008.

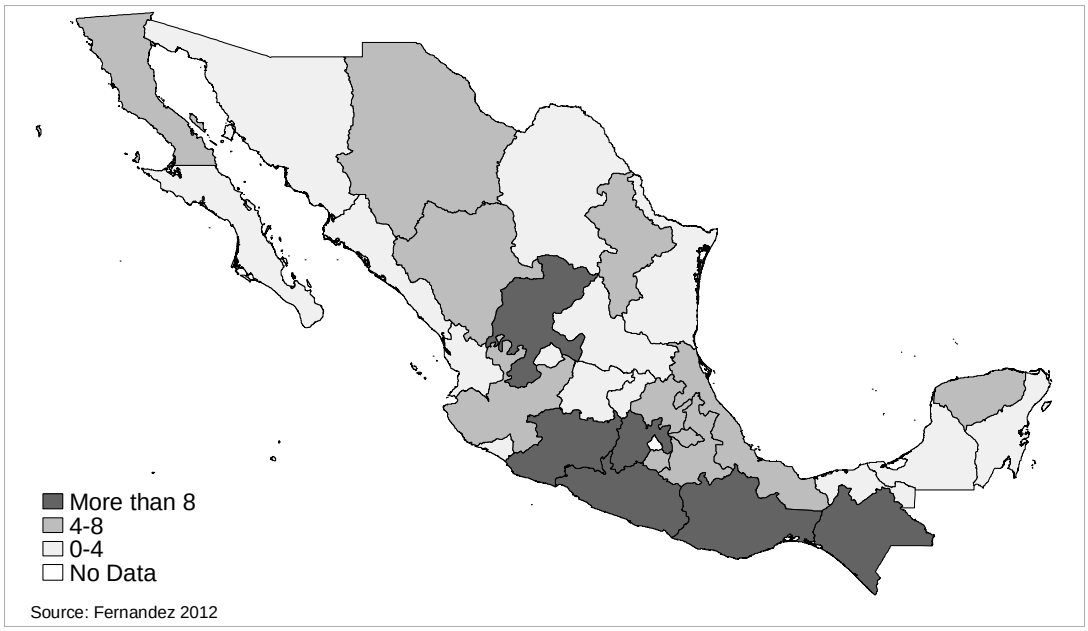
where $Y_{i,t}$ is the state educational spending per student in state i at time t, X is a matrix of independent variables (including state fixed effects), and Δ is the first difference operator. Therefore, the dependent variable is the change in educational spending per student in basic education, or the change in the educational spending per student in tertiary education from one year to the next financed by the subnational governments with their own resources. The independent variables include the lagged level of educational spending per student, the annual rate of change in each of the independent variables, and the lagged values of the independent variables.

The assumptions behind this kind of models are explained in more detail in the previous chapter, but it is important to remember that they imply a moving equilibrium relationship between variables in which the dependent variable may not only fluctuate in response to short-run changes in the independent variables, but also assume over the long run, levels consistent with those of the independent variables. The coefficient on the lagged level of the dependent variable (β_1) is an indicator of equilibrium properties; therefore, it should be between -1 and 0, so that the effects of shocks in an exogenous variable are reduced over time and the system returns to equilibrium. The short-term relationship is captured by the coefficient of the change variable (β2), and the longer-term relationship by β_3, which is the coefficient of principal interest.

To deal with problems of heteroskedasticity and contemporaneous correlation errors across states, the model is estimated on the basis of OLS with panel-corrected

standard errors with panel-specific patterns of first-order autocorrelation. The model includes fixed effects which control for the variation within the states and accounts for a potential problem of omitted variable bias.

The statistical analysis of the effect of mobilizations for public educational spending is based on the Mexican Education Protest Dataset (MEPD) described in the previous chapter. As the two maps below show, not all states experienced the same level of protest in the education sector, nor are the geographical patterns of disruptive actions the same at each education level.



Map 5.1 Average disruptive actions in the Mexican states: Basic education sector, 1992 – 2008

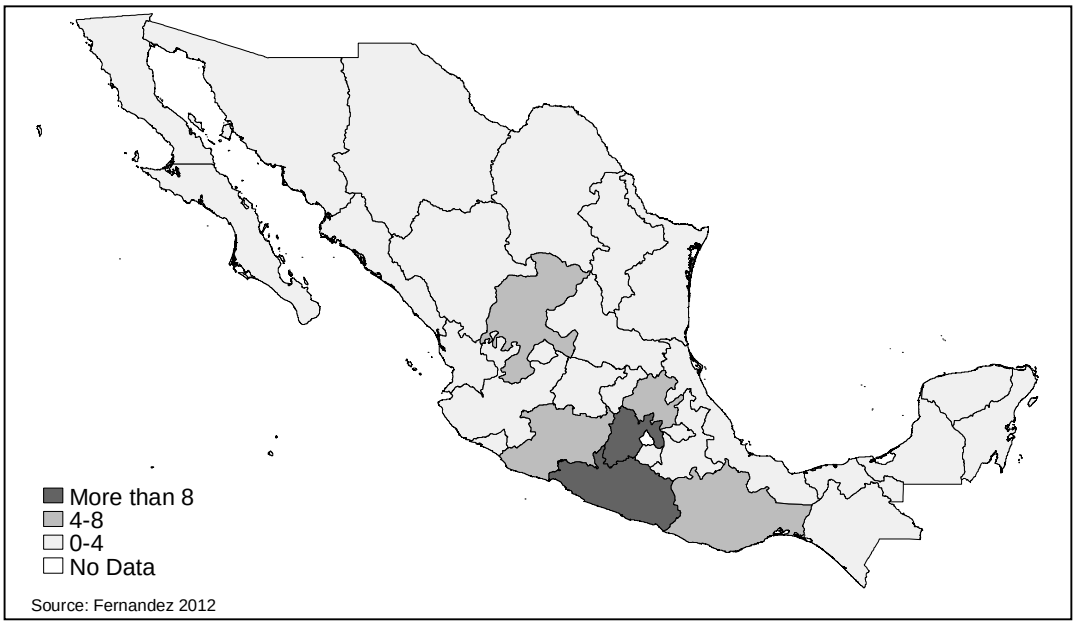
In the case of basic education, the highest number of disruptive actions (on average more than 8 per year) take place in states where the dissidents' teacher movement, the CNTE (Coordinadora Nacional de Trabajadores de la Eduación, the National Coordination of Education Workers) is strong. Oaxaca and Michoacán are the two states with the largest number of protests. On average, each year between 1992 and 2008 there have been 43.7 and 29.7 protests in these states. In contrast, Nayarit, Sonora and Colima have teachers' unions which barely decide to take their economic demands and grievances to the streets. In these states, there has been less than one protest event per year.

Table 5.2 Teachers' union sections in Mexican states

State	Teachers' union sections			Presence of dissident movements
Aguascalientes	1			
Baja California	2	37		Yes
Baja California Sur	3			
Campeche	4			Yes
Coahuila	5	35	38	
Colima	6	39		
Chiapas	7	40		Yes
Chihuahua	8	42		Yes
Distrito Federal (Mexico City)	9	10	11	Yes*
Durango	12	44		
Guanajuato	13	45		Yes
Guerrero	14			Yes*
Hidalgo	15			Yes
Jalisco	16	47		Yes
México	17	36		Yes
Michoacán	18			Yes*
Morelos	19			Yes*
Nayarit	20	49		
Nuevo León	21	50		
Oaxaca	22	59		Yes*
Puebla	23	51		Yes
Querétaro	24			Yes
Quintana Roo	25			
San Luis Potosí	26	52		
Sinaloa	27	53		
Sonora	28	54		
Tabasco	29			Yes
Tamaulipas	30			
Tlaxcala	31	55		Yes
Veracruz	32	56		Yes
Yucatán	33	57		Yes
Zacatecas	34	58		Yes*

* States on which the CNTE has stronger influence.

Although the reasons behind the different levels of disruptive behavior across the country will be analyzed in future research projects, the fragmentation of the teachers' union might play a role in the teachers' decisions to go to the streets and eventually in their consequences for educational spending. In cases with state and federalized union sections, teachers have sometimes competed for membership and influence over the educational budgets. Furthermore, the political dynamics in many of these states were radicalized with the presence of the dissidents' movement (CNTE). As we saw in chapter three, the *Coordinadora* (CNTE) has used radical tactics both to extract more benefits from the government and to consolidate their position in their territories (see also Cook 1996). It represents itself as the real representative of the education workers, in contrast to what they considered "liderazgos charros" (leaders who are considered to have been bought off by the government in exchange for peace in the streets, betraying teachers by concentrating the economic benefits with themselves rather than for the rank and file members). Future research will analyze if the CNTE's disruptive strategy has had bigger budgetary consequences than the protests carried out by their "institutional" colleagues in the SNTE.



Map 5.2 Average disruptive actions in the Mexican states: Tertiary education sector, 1992 – 2008

Map 5.2 shows that the tertiary education sector in Mexico is much more peaceful in comparison to the disruptive activity observed in the basic sector. Only in Guerrero and the State of Mexico did we observed more than 8 protests, sit-ins, streets blockades and other disruptive actions carried out by administrative workers, students and professors from public universities. On average, in most of the states there have been less than 4 protests events per year between 1992 and 2008. As was mentioned in the theoretical chapter, the collective action capacity diminishes as conditions of the

monopoly over representation disappear, the number of members is smaller and material resources to carry out disruptive actions shrink. Until 2009, there were 862 institutions at the tertiary education level in Mexico (594 universities, technological institutes and other public colleges, and 268 teachers training colleges). Not all of them are unionized, so the capacity to express their demands in street protests is lower compared to their colleagues from the basic education sector.

Consequently, the effect of disruptive actions over educational budgets is expected to vary along the different levels of protest observed at the subnational level. Different interviews conducted between April 2008 and January 2011 suggest that the capacity for carrying out these actions is contingent on multiple complementary factors and strategies followed by the actors in the education sector. For example, the teachers' union has used complementary strategies to influence education policy in Mexico. They have captured several key positions (i.e. the State Education Minister, the Undersecretary of Basic Education and the Director of the Carrera Magisterial program and several other directorships in the subnational education ministries) and have made sure to have loyal members in control of the distribution of benefits and the assignment of teaching posts. In states where the union has a stronger presence in the education structure, the incentives for marching in the streets are likely to decline. Nevertheless, important exceptions are the two radical sections, 18 from Michoacan and 22 from Oaxaca. Moreover, some alliances between the union leaders and governors calm down the desire to obtain more benefits, especially in cases in which governors are perceived to be close to the union or

have even emerged from its ranks, such as in the case of Humberto Moreira in Coahuila. Union leaders look with sympathy to alliances with the governments as they facilitate access to the state and increase the chances to be heard at decision-making levels. In order to facilitate these alliances, sometimes union leaders need to flex their mobilization muscle to increase their credibility at the table in negotiations with government officials.

To test the electoral competition hypothesis, I calculated the margin of victory between the first and the second party in the most recent subnational election (either gubernatorial or intermediate local state congress election). The data come from two sources: the political database compiled by CIDAC and complementary information compiled by the author from the different state electoral institutes. As robustness checks, I used alternative indicators of electoral competitiveness such as the effective number of parties in the gubernatorial election and the effective number of parties in the local congressional election. These last two measures are not the best indicators of electoral competitiveness, as Matthew Cleary has demonstrated. Therefore, I also ran different complementary statistical specifications with just the margin of victory in the governor's election and the margin of victory in the local congressional election. The results shown below do not change.

In order to address the effects of political pluralism, I used the effective number of parties calculated with the Laakso and Taagepera index (1979). I also ran specifications with divided government measured with a dummy variable, where 1 is

when the governor does not have a majority in the local legislature, 0 otherwise. I tested two complementary political factors: turnover as measured by a dummy variable (1 if there was a change in the party in government, 0 otherwise) and a dummy variable for election year, to see if there was a political budget cycle in the allocation of education budgets.

While the PRD can be categorized as a left-wing party (Moreno and Zeichmester 2002), Moreno and Magaloni have shown that the PAN is a Christian right-wing party with a catch-all profile, which competes with the PRI for the support of voters located at the center of the ideological space (Moreno and Magaloni 2003; see also Loaeza 2003, Mizrahi 2003).[15] The PRI has historically had a broader ideological profile. After the revolution the PRI was considered a revolutionary leftist party, but at the end of the eighties a technocratic group arrived at the center of its leadership, bringing with them neoliberal economic policies. As a broad alliance of interests, the PRI has not abandoned the leftist roots, as most of the corporatist structures of the country continue to be active members of this party (Bensunsán and Cook 2003). From the point of view of the voters, this party is considered to be located in the center-left on the ideological spectrum (Magaloni and Moreno 2003; Moreno 2003).

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[15] Since its founding in 1939, the PAN has had linkages with Catholic organizations, such as the Catholic Association of Young Mexicans (ACJM), Catholic Action and the National Union of Head of Families and Progressive Catholic Students. Furthermore, González Luna, the co-founder of the PAN, explicitly embraced Christian Democratic doctrine. However, the PAN was ambivalent toward Catholicism for more than four decades given the anticlericalism of the revolutionary regime. In 1998 it officially joined the Christian Democratic international organization. A more detailed account of the relationship between the PAN leadership and the Catholic Church in Mexico can be found on Loaeza 1999 and 2003.

Therefore, in order to test the partisanship hypothesis, I include a dummy variable for states governed by the PRD (left-wing party) and a dummy variable for the PRI (left-center party). The omitted category is the states governed by the PAN (Christian right-wing party). Furthermore, in order to exhaustively test the potential effects of parties' ideology on educational spending, I included the percentage of seats in the local legislatures from each political party, incorporating the aforementioned categories in the analysis.

I include different control variables to capture factors that may affect educational budgets. These factors are worth describing in detail, as both the comparative literature on educational spending as well the academic works which have analyzed the Mexican case have emphasized their importance on determining budgetary priorities in this policy. If education is a normal good, citizens with higher incomes tend to be willing to spend more on education, all other things remaining equal. As the economy grows and the states become richer, the middle classes also become increasingly aware of the returns to education. These citizens are expected to pressure the government for the improvement of this sector. And richer states are expected to spend more on education services. The society's wealth is measured through the gross state product per capita.[16]

[16] Available fiscal resources widen the opportunities of governments to finance public services such as education. As the level of the state government's revenue increases both via through their own taxation and through funds transferred from the federal government, there are more resources available to serve the demand for education. Nevertheless, the subnational revenue is highly correlated with GDP per capita. Consequently I conducted separate analyses with the

As we saw in the previous chapter, in addition to their own fiscal resources, subnational governments receive two types of transfers from the federal government: the unconditional grants (*participaciones*) and the conditional transfers known as *aportaciones*. The only resources earmarked for education are the FAEB funds (for basic education and teacher training colleges), FAETA (for technological education and upper secondary), and the FAM (for educational infrastructure in basic and tertiary education), all of them transferred by the federal government. In the case of upper secondary and tertiary education, most of the resources that the federal government transfers for upper secondary schools, vocational schools and state universities require a matching contribution by the state governments, determined in agreements between each state and the federal government. Nevertheless, the support toward public universities by subnational governments varies considerably. Some states such as Baja California, Jalisco or Hidalgo provide more than 50 percent of the budget. In contrast, other public state universities rely heavily on the funds from the federal government. For example, the Universidad of Baja California Sur, the Universidad de Colima, Universidad de Juárez del Estado de Durango or the Universidad Autónoma de Yucatán are mostly dependent on federal subsidies rather than on their states' funds.

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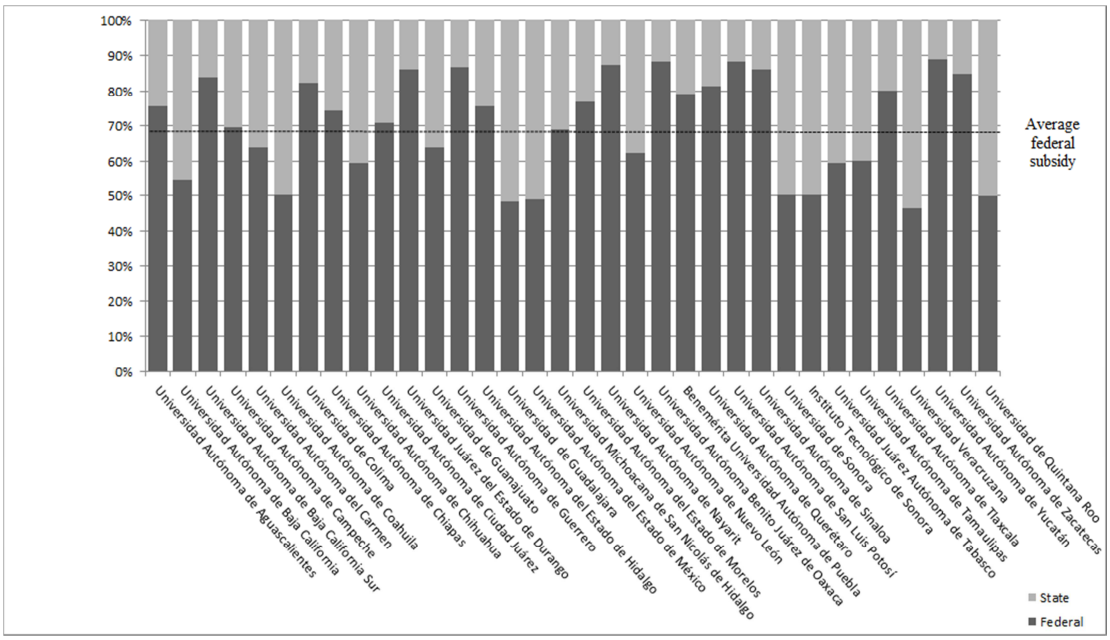
total subnational revenue from their own state tax sources. This variable was never significant in any of the models used.



Source: Author's calculations with SEP 2010.

Figure 5.3 Distribution of state and federal ordinary subsidies in public state Mexican universities (2000 - 2009)

As has been shown, there are political considerations in the distribution of all these educational transfers. Moreover, historically there have been strategic pressures by governors to extract additional grants from the federal government. As a consequence, a substitution effect in the sources of educational spending is likely to take place. A state that receives more transfers from the central authorities would likely opt to spend fewer

resources on education from their own budget. In contrast, as political pressures from the beneficiaries of educational spending continue at the subnational level, if a state receives less money from the federal government, authorities are likely to be forced to supplement these resources.

Other factors expected to impact educational budgets are demographic factors, the cost of educational services, the socioeconomic redistributive needs to be attended to in the states and the historical legacies associated with the size of the subnational education systems.

Several demographic factors affect the demand for education and consequently the educational spending. The age of the population is expected to be a key factor. In consequence, as was done for the analyses of the educational transfers, I include as a control the number of children younger than 14 not attending to school. I would expect that as this number increases, so would the subnational budgets for basic education in order to attend to these social needs. In the case of tertiary education, the opposite effect would be expected, with less money for public universities as the number younger than 14 years old grows.

The budget for education is influenced considerably by the cost of providing these services. One of the main costs in providing education services is the number of teachers. As the earlier review showed, most of the educational budgets are used for

paying teachers' salaries and benefits. Therefore, it should be expected that the number of public teachers would have a positive effect on the states' budgetary efforts for education.

Particularly in the Mexican case, as we saw above, many states historically had an education system parallel to the federal one. These systems developed during the twentieth century. Some authors have suggested that the differences observed in the size of these state educational systems was a consequence of the differences in the subnational wealth or the result of individual efforts by governors concerned about education (Arnaut 1998; Ornelas 2010). Since the state systems were funded by the state, their presence and size are expected to play a role in determining the extent to which subnational governments are engaged in funding education. After the decentralization of education in 1992, some states merged the federal and subnational systems, and others kept their administration under the control of different institutions. The success in merging these educational services has varied, contingent on the politics of teachers' union sections and the capacity of bureaucracies to maintain their budgetary privileges. The legacies of subnational educational systems are expected to continue affecting state governments' commitments to allocate resources to education. In other words, the legacies of the size of subnational education systems will create fiscal inertias as bureaucrats and teachers continue demanding resources which will increase educational budgets.

Finally, the proportion of the population living in urban areas is believed to affect the cost of education. There are economies of scale in the provision of education services in cities. The provision of educational services in sparsely populated areas is more

costly, as it requires hiring more teachers and building more schools to cover a population similar in size to the one concentrated in an urban setting (Mancera 2011). If this is the case, larger rural populations would imply stronger efforts by their governments to provide them with education services. If the allocation of public budgets pursues an attempt to remedy the unfavorable socioeconomic circumstances of its populace, then it would be expected that states with larger levels of poverty and bigger rural populations would channel more resources, particularly to basic education. Access to public education at the primary and lower secondary in Mexico as in several other developing countries, is considered to be a progressive policy as most of the users come from low income families. In contrast, as middle income citizens tend to fill the classrooms of public universities, if redistributive concerns play a role in the allocation of public resources to education, then states with more people living in rural communities and with higher levels of poverty are expected to spend less on tertiary education.

Table 5.3 Summary of theoretical expectations: determinants of educational spending in Mexican states

	Basic education	Tertiary education
Political Variables		
Collective action		
Disruptive actions in the education sector (t-1)	Positive	Positive
Electoral concerns		
Margin of victory in last subnational election	Negative	Negative
Election year (t-1)	Positive	No effect
Government turnover (t-1)	Positive	No effect
Partisanship		
PRI Governor	Positive	No effect
PRD Governor	Positive	Positive
PRI Legislature	Positive	No effect
PRD Legislature	Positive	Positive
Political pluralism		
Effective number of parties in local legislature	Positive	Positive
Divided government	Positive	Positive
Control variables		
Economic factors		
GDP per capita	Positive	Positive
FDI per capita	Positive	Positive
Federal educational transfers per student	Negative	Negative
Number of teachers in public schools	Positive	Positive
Redistributive concerns		
Percentage of rural population	Positive	Negative
Percentage of population younger than 14 not going to school	Positive	Negative
Poverty index	Positive	Negative

5.6. Results and discussion

Table 5.4 presents the statistical results for the model outlined above for the 1996 - 2009 period as a whole for basic education. Table 5.5 shows the models for expenditures in tertiary education. For purposes of substantive interpretation, I rely on model 1. Models 2, 3, 4 and 5 include alternative indicators for analyzing the effects of political pluralism and other electoral considerations beyond competitiveness on education spending (such as the effective number of parties in the local legislature, if elections were held in a particular year, turnover, and divided government) . Models 6 and 7 include different indicators other than the percentage of rural population for analyzing the redistributive considerations that would be expected to influence expenditure decisions (percentage of population younger than 14 not going to school, and the poverty index).

Once again it is necessary to underscore that the coefficients of the lagged independent variables capture the long-term effect over educational spending, while the coefficients of the change in the independent variables address the short-term relationships. The lagged levels of spending in both education levels (basic and tertiary) are negative, with a value between 0 and -1 as required for equilibrium in this kind of statistical model. Results across models show that beyond socioeconomic factors and concerns, there are political considerations in the allocation of educational budgets in Mexican states.

Table 5.4 Political Determinants of Subnational Spending in Basic Education in Mexico

Period	**Model 1** (1996 - 2009)	**Model 2** (1996 - 2009)	**Model 3** (1996 - 2009)	**Model 4** (1996 - 2009)	**Model 5** (1996 - 2009)	**Model 6** (1996 - 2009)	**Model 7** (1996 - 2009)
Δ Disruptive actions (basic and teachers' colleges)	2.456	2.507	2.546	2.983	1.843	2.515	2.727
	[3.130]	[3.186]	[3.102]	[3.099]	[3.112]	[3.138]	[3.174]
Disruptive actions (basic and teachers' colleges) $_{t-1}$	9.501**	8.656*	9.966**	11.237***	8.643**	9.909**	10.121**
	[4.298]	[4.496]	[4.281]	[4.207]	[4.367]	[4.397]	[4.777]
Δ Margin of victory in last state election	-252.067	-46.108	-240.973	-252.72	-54.067	-266.495	-237.522
	[311.100]	[328.300]	[311.027]	[312.987]	[339.176]	[316.760]	[312.665]
Margin of victory in last state election $_{t-1}$	-426.012	-130.056	-368.688	-354.456	-129.491	-428.41	-497.305*
	[295.947]	[322.489]	[294.131]	[295.127]	[329.104]	[287.473]	[298.361]
Δ PRI Governor	-70.845	-99.64	-87.68	-248.74	-64.778	-68.55	-38.885
	[146.807]	[142.785]	[146.981]	[166.825]	[148.432]	[146.752]	[146.175]
PRI Governor $_{t-1}$	-60.934	-42.057	-70.257	-36.872	-35.161	-96.499	-58.536
	[126.212]	[121.063]	[127.211]	[131.230]	[129.655]	[127.087]	[128.374]
Δ PRD Governor	-77.082	-173.617	-92.18	-135.854	-127.655	-85.548	-37.163
	[216.726]	[218.825]	[216.802]	[213.552]	[217.779]	[220.567]	[215.856]
PRD Governor $_{t-1}$	62.009	45.503	72.617	47.006	31.485	-2.297	25.15
	[148.774]	[143.776]	[151.161]	[141.899]	[141.942]	[157.806]	[151.898]
Δ PRI Legislature	-60.284	142.243	-185.031	70.703	-25.336	-79.113	-123.098
	[302.382]	[322.156]	[309.361]	[309.263]	[305.112]	[325.689]	[322.914]
PRI Legislature $_{t-1}$	618.158**	935.761***	643.549**	639.069**	601.013*	617.537**	468.667
	[298.552]	[339.577]	[303.162]	[300.177]	[309.374]	[313.371]	[321.206]
Δ PRD Legislature	-698.616*	-665.397*	-697.637*	-690.925*	-697.510*	-726.025*	-768.821**
	[368.468]	[370.122]	[370.080]	[384.005]	[370.607]	[378.265]	[377.960]
PRD Legislature $_{t-1}$	-275.342	-351.421	-243.129	-349.982	-385.151	-217.335	-466.15
	[301.460]	[286.969]	[301.802]	[306.395]	[287.105]	[304.399]	[305.033]
Δ Effective number of parties in Congress		141.344*					
		[74.859]					
Effective number of parties in Congress $_{t-1}$		225.677***					
		[76.463]					
Δ Election year			-64.611				
			[50.086]				
Election year $_{t-1}$			-63.507				
			[81.999]				
Δ Turnover				-215.841**			
				[94.792]			
Turnover $_{t-1}$				44.171			
				[62.971]			
Δ Divided government					78.178		
					[65.920]		
Divided government $_{t-1}$					138.522**		
					[69.277]		
Δ GDP per capita (logged)	20.065	-10.238	60.481	147.506	124.968	23.738	46.333
	[756.665]	[763.499]	[753.709]	[772.084]	[761.340]	[783.615]	[766.078]
GDP per capita (logged) $_{t-1}$	1,916.649***	1,983.101***	1,907.200***	1,792.982***	2,014.246***	2,114.456***	1,918.447***
	[541.337]	[543.589]	[539.488]	[530.478]	[560.251]	[515.314]	[515.794]
Δ Federal Educational transfers for basic education and teachers' colleges per student (FAEB per student)	0.036*	0.031	0.033	0.036*	0.036*	0.043**	0.042*
	[0.021]	[0.022]	[0.021]	[0.021]	[0.022]	[0.021]	[0.022]
Federal Educational transfers for basic education and teachers' colleges per student (FAEB per student) $_{t-1}$	0.059**	0.056**	0.055**	0.058**	0.061**	0.070***	0.067***
	[0.025]	[0.025]	[0.024]	[0.025]	[0.025]	[0.023]	[0.023]
Δ Number of teachers in public schools in basic education and teachers' colleges	0.223**	0.217**	0.230**	0.215**	0.196**	0.247**	0.242**
	[0.096]	[0.096]	[0.095]	[0.096]	[0.096]	[0.098]	[0.096]
Number of teachers in public schools in basic education and teachers' colleges $_{t-1}$	0.069***	0.063***	0.069***	0.068***	0.063***	0.076***	0.077***
	[0.021]	[0.020]	[0.021]	[0.021]	[0.022]	[0.021]	[0.022]
Δ FDI per capita	0.002	-0.003	0.003	0.001	-0.001	0.002	0
	[0.014]	[0.014]	[0.014]	[0.013]	[0.013]	[0.014]	[0.015]
FDI per capita $_{t-1}$	0.001	-0.003	0.003	0.005	-0.007	-0.002	0
	[0.021]	[0.021]	[0.021]	[0.022]	[0.021]	[0.022]	[0.022]
Δ Proportion of rural population	-3,323.74	-3,666.598*	-3,225.94	-3,325.09	-3,236.60		
	[2,110.619]	[2,107.890]	[2,117.637]	[2,083.710]	[2,120.329]		
Proportion of rural population $_{t-1}$	-1,816.67	-1,958.10	-1,934.71	-2,061.29	-1,871.96		
	[1,897.087]	[1,844.123]	[1,903.757]	[1,882.693]	[1,890.668]		
D.Per_no_school_6_to_14						-18.826	
						[11.541]	
L.Per_no_school_6_to_14						-7.481	
						[17.931]	
Δ Poverty index							1,848.14
							[1,247.845]
Poverty index $_{t-1}$							-397.469
							[251.059]
Lagged DV	-0.600***	-0.597***	-0.595***	-0.591***	-0.603***	-0.613***	-0.599***
	[0.074]	[0.074]	[0.074]	[0.074]	[0.074]	[0.074]	[0.073]
Constant	-22,314.527***	-23,642.914***	-22,150.836***	-20,908.747***	-23,348.526***	-24,980.647***	-23,130.463***
	[6,302.458]	[6,425.629]	[6,282.489]	[6,160.097]	[6,498.435]	[5,779.917]	[5,775.126]
Observations	348	348	348	348	348	348	348
R-squared	0.409	0.418	0.412	0.415	0.411	0.416	0.408
Number of states	30	30	30	30	30	30	30

Standard errors in brackets
*** p<0.01, ** p<0.05, * p<0.10

The coefficient of the long term effects of disruptive actions on educational spending in basic education is consistent with the theoretical argument. Teachers carrying out their demands on the streets are capable of extracting more resources for their cause from subnational governments. Interpreting these results in terms of hypothetical changes in the number of protests by teachers is relatively straightforward. Starting in an equilibrium state and holding all other variables constant, for each additional disruptive action executed by teachers from basic education schools there will be 9.5 pesos more per student for educational budgets at this level. Therefore, if teachers manage to mobilize ten times in a year, then they would be able to push for 95 additional pesos per student from their state authorities.

The effect of the mobilizations by teachers on educational budgets is a little smaller in the subnational case than the resources obtained from the federal government as educational grants. As shown in the previous chapter, their mobilizations increased on average 17.32 pesos per student per each disruptive action. The empirical evidence of the positive effect on the long run of the mobilizations by members of the SNTE confirms the main theoretical argument. Teachers are powerful actors who use their collective action capacity to have their interests served by authorities at the subnational and federal levels.

It is necessary to point out one particular exception not captured by these models: the case of Oaxaca. This state has the most combative and disruptive teachers' union

section in the country: section 22. For more than two decades, every year these teachers protest, establish sit-ins both in the state capital city and in Mexico City, and as the events of 2006 demonstrated, when they go on a long strike which lasts more than four months, they have the capacity to practically take hostage an entire city when their demands are not met on time. Their violent behavior has paid off, as they have been able to extract more resources from the federal government and have captured several positions in the *Instituto Estatal de Educación Pública de Oaxaca* (the State Education Ministry). Nevertheless, as has been pointed out here, the case of Oaxaca has been excluded from the subnational statistical analysis because that state has not given information on spending for the basic education level. In the educational spending questionnaires that they have sent to the federal authorities, the state reported that they had not spent any funds for this level. However, there are empirical grounds to doubt the veracity of Oaxaca authorities' information.

In 2001, joining other governors' complaints, Governor José Murat declared that Oaxaca would give back its elementary and secondary schools to the federation. "Nobody is obliged to do what is impossible… *the state of Oaxaca can't be forced to pay the growing expenditures of the educational services* when the (state) government does not have the resources for paying for them and on top of that, Oaxaca has suffered cuts in its conditional and unconditional transfers" (Notimex 2001). Although not reported, Murat's words suggest that the subnational authorities have also pandered to the economic demands by teachers of section 22.

There is no evidence that electoral competitiveness has an effect on the distribution of educational budgets. As will be explained in a detailed way in the next section, there are several institutional factors that limit the effect of competitive elections as drivers of larger educational budgets. On the one hand, strict term limits reduce the accountability nature of elections in Mexico and undermine politicians' willingness to be more attentive to the provision of goods potentially beneficial to their constituencies. On the other hand, as most of these funds are used for the payment of salaries, consistent with the effects of teachers' protests over educational spending, it is likely that spending on basic education is not perceived by politicians, as a good electoral tool to directly gain citizens' support, even under competitive circumstances.

The results show that in the case of basic education, the ideological profiles of political parties have a limited effect. There is no evidence to support the contention that a left-wing governor (PRD) or one from a center-left party (PRI) spends more on basic education than a state executive from a Christian-right party such as the PAN.[17] As in the case of electoral competition, given the influence of the teachers' union in the education system, it is reasonable to say that all parties have ended up pandering toward the economic demands of the SNTE. Governors from all the political parties have increased their budgets for public basic education because they are both fearful of the unions 'disruptive capacity, and mindful of the electoral dividends that can result from an

[17] Remember that the interpretation of the coefficients for partisanship needs to be done in relation to the omitted category. In this case the omitted ideological category is the Christian-right party PAN.

alliance with the union. In this sense, the complaints by several governors from all political parties about the negative effects to their state finances of the double salary negotiation with the SNTE seemed to be confirmed by these results.

However, there is evidence that local legislatures dominated by the PRI have allocated in the long run more resources toward basic education. One potential explanation of this finding is that although the SNTE has diversified its political alliances and has officially ended its PRI membership, legislators from this party are closer to the union. In addition to the local legislators that PANAL (the teachers' party) has placed in practically all the state legislatures since its formation in 2006, there are several legislators in the other political parties that are members of the SNTE. From this second group of legislators loyal to the teachers' organization, most of them are PRI supporters. Consequently it is likely that these legislators defend the economic interests of their political allies in the education sector.

With respect to the effect of pluralism in subnational congresses, the models show that as more political forces are represented in the local legislatures, the budgets for basic education are larger. There is no direct effect of elections on educational spending for basic education. However, there seems to be an indirect effect through the pluralism that accompanies more competitive electoral processes. The coefficient of the effective number of parties in Congress (model 2) and of divided government (model 5) suggest that as pluralism arrives in local legislatures, there is more spending in basic education. This result is consistent with literature that has explored the universalism in legislatures

in which, contrary to the expectations of forming minimum winning coalitions, parties' leaders reach mutually beneficial agreements with a large number of individual congress members for the allocation of public works and projects (Scartascini and Crain 2002).[18] More education spending for public primary and lower secondary schools is good politics for all congressmen, both in terms of potential alliances with the union and as political discourse to get citizens' support. It is necessary to remember that as education is a "valence issue", no political party would go openly against cutting spending on education, especially at those levels with a broader base of beneficiaries in society such as primary and lower secondary. [19]

Consistent with the results of electoral competitiveness, there is no evidence that educational spending on basic education increases in the year elections take place. Interestingly, the change of spending on basic education in states with government turnover is smaller in the short term. However, this change fade away in the long run.

The effects of the other control variables, while important, are not very surprising. Richer states allocate more public resources to basic education. Although contrary to expectation, there is only very weak support for the contention that the level of state education spending is contingent on the transfers received from the federal authorities.

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[18] Weingast (1979, p. 249) defines universalism as "the tendency to seek unanimous passage of distributive programs through inclusion of a project for all legislators who want one." In this sense, education spending could be interpreted as a public good from which all of them want to get credit for their support.

[19] As Donald Stokes pointed out more than six decades ago, valence issues are those issues on which there is agreement on the ends of politics, such as lower crime, economic growth or support for education (Stokes 1963). See also Green 2007 for a good review on this topic.

The coefficient for FAEB transfers per student, although positive and statistically significant, is very small (0.059). Similarly, the number of teachers in public schools in the basic education system has a positive but reduced impact on the resources that subnational governments allocate to this educational level. Finally, although the indicator used to measure the impact of globalization on education spending is far from capturing the whole dynamics discussed in the specialized literature on this topic, the models do not support any effect of FDI over educational budgets. There is no evidence that states that are more integrated into the international economy are privileging higher levels of human capital formation, nor that the globalization forces have pushed for efficient government expenditures in social sectors such as education. None of the social redistributive indicators are statistically significant.

Table 5.5 Political determinants of subnational spending in tertiary education in Mexico

Period	**Model 1** (1996 - 2009)	**Model 2** (1996 - 2009)	**Model 3** (1996 - 2009)	**Model 4** (1996 - 2009)	**Model 5** (1996 - 2009)	**Model 6** (1996 - 2009)	**Model 7** (1996 - 2009)
Δ Disruptive actions in tertiary education	57.136	64.932	56.396	61.594	51.829	62.198	86.216**
	[46.321]	[48.230]	[47.749]	[45.692]	[46.613]	[42.988]	[42.142]
Disruptive actions in tertiary education $_{t-1}$	12.325	23.902	9.377	16.733	-0.891	18.498	41.555
	[55.073]	[56.941]	[54.518]	[58.531]	[55.622]	[45.108]	[50.928]
Δ Margin of victory in last state election	3,156.12	2,580.98	3,156.49	3,311.23	4,138.111*	3,130.24	2,742.87
	[2,205.115]	[2,214.208]	[2,221.846]	[2,247.157]	[2,300.048]	[2,245.484]	[2,231.652]
Margin of victory in last state election $_{t-1}$	-970.062	-249.604	-1,030.17	-145.323	-346.666	-1,619.15	-1,297.32
	[2,382.454]	[2,432.195]	[2,392.010]	[2,436.014]	[2,456.067]	[2,482.773]	[2,395.033]
Δ PRI Governor	-4,110.031***	-3,926.820***	-4,141.204***	-4,434.779***	-3,984.464***	-4,300.401***	-4,433.600***
	[1,230.701]	[1,237.575]	[1,217.039]	[1,343.190]	[1,213.859]	[1,220.590]	[1,214.436]
PRI Governor $_{t-1}$	-2,262.475***	-2,220.417***	-2,277.979***	-1,633.811*	-2,242.879***	-1,900.379**	-2,048.485**
	[835.995]	[847.572]	[823.811]	[979.743]	[821.016]	[793.757]	[804.154]
Δ PRD Governor	-3,718.057**	-3,248.373**	-3,843.767**	-3,986.851**	-3,938.633**	-4,746.254***	-4,432.198***
	[1,664.112]	[1,577.551]	[1,661.712]	[1,658.645]	[1,691.997]	[1,661.676]	[1,623.245]
PRD Governor $_{t-1}$	435.197	461.825	367.382	396.864	265.483	153.478	-72.519
	[877.673]	[931.508]	[870.598]	[891.900]	[876.882]	[773.824]	[767.618]
Δ PRI Legislature	-1,107.79	-954.474	-1,225.50	-383.444	-1,080.01	-2,433.77	-1,507.09
	[2,396.708]	[2,445.621]	[2,442.859]	[2,328.108]	[2,286.652]	[2,542.755]	[2,418.768]
PRI Legislature $_{t-1}$	-974.839	368.669	-834.267	-947.016	-1,149.92	-2,299.40	-1,307.00
	[2,278.237]	[2,636.626]	[2,293.208]	[2,227.383]	[2,338.567]	[2,393.542]	[2,334.871]
Δ PRD Legislature	-4,655.339*	-4,529.017*	-4,700.774*	-4,847.092*	-4,914.565*	-5,047.765*	-3,594.97
	[2,672.808]	[2,624.501]	[2,667.590]	[2,620.734]	[2,511.099]	[2,843.080]	[2,783.351]
PRD Legislature $_{t-1}$	-1,782.57	-1,800.77	-1,706.42	-1,582.52	-2,189.35	-1,010.63	818.069
	[2,727.675]	[2,714.600]	[2,682.244]	[2,670.626]	[2,623.711]	[2,790.434]	[2,871.272]
Δ Effective number of parties in Congress		-396.382					
		[527.667]					
Effective number of parties in Congress $_{t-1}$		597.664					
		[463.472]					
Δ Election year			-26.68				
			[290.238]				
Election year $_{t-1}$			93.648				
			[500.915]				
Δ Turnover				-353.56			
				[647.373]			
Turnover $_{t-1}$				885.330**			
				[449.689]			
Δ Divided government					547.628		
					[405.558]		
Divided government $_{t-1}$					381.131		
					[406.481]		
Δ GDP per capita (logged)	-15,883.497***	-15,334.563***	-15,650.826***	-16,094.607***	-15,679.792***	-13,557.494***	-14,175.099***
	[3,570.504]	[3,500.615]	[3,558.478]	[3,525.644]	[3,528.892]	[3,855.738]	[3,915.040]
GDP per capita (logged) $_{t-1}$	-6,498.642**	-6,013.947*	-6,460.646**	-6,850.391**	-6,365.895**	-3,323.76	-3,475.84
	[3,189.801]	[3,216.657]	[3,231.632]	[3,138.815]	[3,181.066]	[3,155.885]	[3,135.177]
Δ Federal Educational Transfers per student	0.309**	0.293**	0.318**	0.313**	0.264*	0.436***	0.437***
	[0.143]	[0.144]	[0.146]	[0.143]	[0.148]	[0.146]	[0.149]
Federal Educational Transfers per student $_{t-1}$	-0.02	-0.029	-0.021	0.01	-0.083	0.153	0.209
	[0.157]	[0.160]	[0.155]	[0.160]	[0.167]	[0.143]	[0.156]
Δ Number of teachers in public schools in tertiary education	0.142	0.103	0.117	0.226	0.169	0.376	0.315
	[0.286]	[0.293]	[0.288]	[0.285]	[0.277]	[0.301]	[0.292]
Number of teachers in public schools in tertiary education $_{t-1}$	0.968***	0.930***	0.969***	1.058***	1.019***	1.106***	1.091***
	[0.276]	[0.283]	[0.273]	[0.286]	[0.274]	[0.298]	[0.296]
Δ FDI per capita	0.008	-0.021	0.004	0.007	0.002	-0.025	-0.009
	[0.083]	[0.082]	[0.084]	[0.082]	[0.083]	[0.084]	[0.080]
FDI per capita $_{t-1}$	-0.086	-0.095	-0.094	-0.025	-0.113	-0.126	-0.103
	[0.124]	[0.127]	[0.123]	[0.131]	[0.128]	[0.127]	[0.118]
Δ Proportion of rural population	-9,234.90	-7,754.03	-9,469.09	-9,522.05	-11,006.68		
	[7,801.670]	[8,193.447]	[7,831.687]	[7,857.028]	[7,970.142]		
Proportion of rural population $_{t-1}$	-32,367.038***	-33,944.349***	-32,530.284***	-35,513.612***	-33,052.398***		
	[10,659.666]	[10,674.412]	[10,653.634]	[10,626.898]	[10,409.753]		
Δ Percentage of population younger than 14 not going to school						62.258	
						[68.230]	
Percentage of population younger than 14 not going to school $_{t-1}$						158.951	
						[108.564]	
Δ Poverty index							-24,077.665***
							[8,801.335]
Poverty index $_{t-1}$							-1,396.75
Lagged DV	-0.501***	-0.503***	-0.499***	-0.519***	-0.499***	-0.485***	-0.474***
	[0.081]	[0.082]	[0.081]	[0.081]	[0.081]	[0.079]	[0.078]
Constant	83,243.130**	76,114.169**	82,760.718**	86,733.345**	82,566.163**	38,656.56	39,274.43
	[37,250.989]	[38,060.557]	[37,714.080]	[36,645.352]	[37,100.343]	[35,790.599]	[35,087.193]
Observations	290	290	290	290	290	290	290
R-squared	0.454	0.462	0.454	0.462	0.458	0.453	0.458
Number of states	30	30	30	30	30	30	30

Standard errors in brackets
*** p<0.01, ** p<0.05, * p<0.10

In the case of tertiary education, there are noteworthy differences in the dynamics that drive the different levels of public spending. Above all, the most important one is that, on average, protests carried out by actors from public universities (students, administrative workers (several of them unionized) and professors) do not have any effect on the allocation of more subnational resources toward tertiary education. This result is an observable implication of the main theoretical argument tested in this work. As was shown in the summary of disruptive actions by education level in the previous chapter, by far the largest number of demonstrations is undertaken by teachers from basic education. As has been described, there are several characteristics that make them stronger actors in the political scene. Teachers are the largest segment of public workers in the country, with approximately 1.2 million members, which makes the SNTE the biggest union in Latin America. The teachers' union has a monopoly of representation over teachers. As we will see in the following chapter, they have captured the education structure at both levels, federal and subnational, which strengthens their capacity to use a strategy of sticks and carrots to keep discipline among their members. They have access to large amounts of resources (approximately 10 million dollars per month) as the product of their members' quotas. Consequently their capacity for carrying out effective mobilizations is very strong.

In contrast, the workers' organizations at public universities are considerably weaker. Until 2009, there were 862 institutions, 268 teacher training colleges and 594 universities, technological institutes and other public colleges in Mexico. Not of all them

have unions. Exceptional cases with powerful unions who have been repeatedly successful in extracting larger budgets from the federal authorities are the National Autonomous University of Mexico (UNAM), the Autonomous Metropolitan University (UAM) and the National Polytechnic Institute (IPN), all of them federal institutions which are not analyzed in this work.

There are sporadic cases on which public state universities have successfully carried their demands to the streets (i.e. the Universidad of Sonora (UNISON) or the Universidad de Guadalajara) and their anger has been calmed with additional public funds. But in general, the capacity of students to maintain demonstrations is considerably lower than that of teachers. Students are transient. Because they are social movements, students' organizations lack the institutional mechanisms and the corresponding resources of unions to continue with their protests, streets blockades or strikes. In summary, the models presented in table 5.5 are consistent with the weaker collective action capacity of actors in tertiary education. There is no evidence of the effect of protests from this sector on educational budgets.

Likewise, ideological differences do play a greater role on the allocation of educational budgets at public universities. Contrary to the theoretical expectations, the political discourse and the anecdotal cases of PRD legislators defending the importance of public funds for public universities, the models show that if there is any leftist effect, it is negative and short lived. States ruled by the PRD (either in terms of a governor or by a

larger number of legislators in the state congress) spend less on tertiary education when compared to the Panistas. But this effect is temporary and disappears over time. However, local politicians from the PRI do have different budgetary preferences in the case of tertiary budgets. Governors from this party spend less in public universities than their Christian right-wing counterparts. On average, a state ruled by a PRI governor spends 2262 pesos per student less than the allocations observed in states governed by the PAN in public universities. The results suggest that students in state public universities are far from being considered a distant potential constituency for PAN state executives. The middle classes attending public universities in Mexican states are an attractive electorate for the PAN, which acts as a consequence when deciding on the allocation of public budgets to these public institutions.

Political pluralism is not accompanied by larger resources in the tertiary education sector. Neither divided government nor the effective number of parties are statistically significant. Interestingly, enough states with turnover have larger budgets for the tertiary education level. Further research needs to be done in order to provide a more thorough explanation for this result. However, the literature on the effects of political regimes might be useful for a possible explanation. Contrary to theoretical expectation, states with government turnover spent more on tertiary education. This finding contrasts with the null effect observed in basic education. Executive of new parties in government probably find that their image as good reformers and agents of change can be more effectively achieved through channeling resources to an education level where they might

have more leverage for policy innovation. As is clear by now, these spaces are very limited in basic education and therefore a new governor would find it more viable to explore different policies at the other education levels. As public universities are seen as sources of innovation with potential benefits if the correct incentives with the private sector are established, then it is likely a new governor will decide to increase funds for them. For example, Fransciso Barrio, the first non-PRI governor of Chihuahua emphasized during his campaign the need to invest in public universities to bring his state to the top in development in Mexico. Historical accounts of this administration suggest that among the first actions Barrio took after taking office, was to instruct his finance ministry to provide more resources for the public universities in in Chihuahua. Finally, as in the case of basic education, there is no evidence of electoral budget cycles for tertiary education budgets.

The impact of the remaining control variables is mixed. Richer states spend more slowly on tertiary education. Although richer states have more resources available, they decide to invest more on primary and lower secondary education than on public universities. There is no effect of educational federal transfers on the levels of subnational spending for public universities. As it occurs in basic education, the number of teachers has a small but positive effect on the resources that subnational governments allocate to these institutions. Finally, it is no surprise that states with larger rural populations and bigger levels of poverty spend less on public universities.

I subjected the previous models, both for spending on basic education as well as for tertiary education, to robustness checks not reported here due to space constraints. The inclusion of other indicators of electoral competitiveness, although imperfect as explained previously, had no effect on the main results. I also used ordinary least squares with robust standard errors clustered by state. The important results were unchanged. Finally, I used a different kind of model to prove whether the equilibrium assumption behind the error correction models previously used was correct. I used panel data analysis (multiple observations for each state across time) with fixed effects, and used both aforementioned techniques (the OLS with panel-corrected standard errors with panel-specific patterns of first-order autocorrelation and the ordinary least squares with robust standard errors clustered by state). The results obtained are equivalent to the long term coefficients of the error correction models. The main results and size of the coefficients were unchanged.

The factors affecting budgets vary at each educational level. These differences between basic and tertiary education are a good reminder of the need to disaggregate public spending in order to have a better understanding of the politics behind it. Studies of aggregate level of spending have been helpful as a first approach to understand how, for example, political regimes differ in their public expenditure priorities. Nevertheless, aggregate measures of spending are inadequate to study the political dynamics that accompany the allocation of public budgets.

Table 5.6 Summary of results: Determinants of education spending in Mexican states (1996 – 2009) A. Political factors.

	Basic education	Tertiary education
Collective action		
Δ Disruptive actions in the education level	No effect	No effect
Disruptive actions in the education level $_{t-1}$	Positive	No effect
Electoral concerns		
Δ Margin of victory in last state election	No effect	No effect
Margin of victory in last state election $_{t-1}$	No effect	No effect
Δ Election year	No effect	No effect
Election year $_{t-1}$	No effect	No effect
Δ Turnover	Negative	No effect
Turnover $_{t-1}$	No effect	Positive
Partisanship		
Δ PRI Governor	No effect	Negative
PRI Governor $_{t-1}$	No effect	Negative
Δ PRD Governor	No effect	Negative
PRD Governor $_{t-1}$	No effect	No effect
Δ PRI Legislature	No effect	No effect
PRI Legislature $_{t-1}$	Positive	No effect
Δ PRD Legislature	Negative	Negative
PRD Legislature $_{t-1}$	No effect	No effect
Political pluralism		
Δ Effective number of parties in Congress	Positive	No effect
Effective number of parties in Congress $_{t-1}$	Positive	No effect
Δ Divided government	No effect	No effect
Divided government $_{t-1}$	Negative	No effect
Number of States	30	30
Observations	348	290
Excluded states	Oaxaca	Chiapas

Table 5.7 Summary of results: Determinants of education spending in Mexican states (1996 – 2009)

A. Socioeconomic factors

	Basic education	Tertiary education
Economic considerations		
Δ GDP per capita (logged)	No effect	Negative
GDP per capita (logged) $_{t-1}$	Positive	Negative
Δ FDI per capita	No effect	No effect
FDI per capita $_{t-1}$	No effect	No effect
Δ Federal Educational Transfers per student	Positive	Positive
Federal Educational Transfers per student $_{t-1}$	Positive	No effect
Δ Number of teachers in public schools in the education level	Positive	Positive
Number of teachers in public schools in the education level $_{t-1}$	Positive	No effect
Redistribution concerns		
Δ Proportion of rural population	No effect	No effect
Proportion of rural population $_{t-1}$	No effect	Negative
Δ Percentage of population younger than 14 not going to school	No effect	No effect
Percentage of population younger than 14 not going to school $_{t-1}$	No effect	No effect
Δ Poverty index	No effect	Negative
Poverty index $_{t-1}$	No effect	No effect
Number of States	30	30
Observations	348	290
Excluded states	Oaxaca	Chiapas

5.7. Why have competitive elections not improved the provision of education services in Mexico?

The previous section has shown that there is no empirical evidence that competitive elections have led to the expansion of educational budgets. Why is this the case? Classic theories of democracy have stressed the role of elections as accountability mechanisms of leaders to their constituencies (Black 1958; Dahl 1971; Downs 1957; Mayhew 1974; Schattshneider 1942; Schlesinger 1991; Mayhew 1974). Consistent with these "accountability properties", the literature on the benefits of democracy for the provision of public goods has multiplied during the last two decades. Democracies emerge as superior to authoritarian regimes to compensate for the societal strife that emerges from an economic downturn (Brown and Hunter 1999; Quinn and Wooley 2001) and they are institutionally better suited to correctly satisfy the demands of their citizens. Elections serve as a peaceful outlet of discontent in the case of economic disruptions, provide a stable and predictable means for replacing political leaders, and serve as accountability mechanisms that force politicians to develop more inclusive policymaking processes and consequently more beneficial policy outcomes (Bueno de Mesquita et al 2003; Careaga Weingast 2003; Przeworski 1995).

As electoral competitiveness increased during the 1990s, several scholars were optimistic about the transforming power of the new competitive scenario in Mexico. For example, Victoria Rodríguez pointed out that elections "have already begun to deliver on

their promise to have a more lasting effect by forcing all parties in government to perform better if they aspire to win the next election" (Rodriguez 1998 p.164). Similarly Yemile Mizrahi established that "faced with a competitive political environment in which the parties actually win and lose elections, it is to be hoped that governments would strive to achieve better levels of governmental performance and that they would promote their achievements to their citizenry. When there is electoral competition, the electors use their vote to reward or punish the party that is in power" (Mizrahi 1999 p.2).

Despite the optimism on the effects of elections that has dominated the literature on economic voting, authors in this tradition have not seriously taken into consideration either the role of institutions or the way structural conditions mediate political outcomes in democratic settings. As has occurred in other new democracies, competitive elections are not a sufficient condition to produce representative and responsive outcomes (O'Donnell 1994; Levitsky and Way 2002; Cleary 2010). The "new institutionalism" literature has provided evidence of how institutions influence political outcomes in a myriad of ways and mediate the link between elections and policy (Ames 1987; Cox 1990; Geddes 1994; Mainwaring and Shugart 1997; North 1990). As Caroline Beer points out in a review of this literature for the "institutional perspective, electoral competition is important in determining policy outputs, but the translation of popular demands into public policy is much more complicated than a simple Downsian model suggests. Effective accountability relies on the combination of both electoral competition and representative institutions to organize politics" (Beer 2003 p.27).

There are different institutional arrangements that need to be considered before assuming that individual votes are transformed into public policies. Electoral rules determine how votes are counted and translated into representation. Different interests and political coalitions are more often formed under winner-take-all electoral systems than in proportional representation systems with distinct social spending consequences. (Iversen and Soskice 2004; Klingeman 2009; Milesi et al 2002). Constitutional rules allocate the power to make decisions. While in unitary systems, the policymaking process is determined by the central government, in federalist arrangements power is more broadly dispersed, making state and local governments part of the policy decision process (Inman and Rubinfield 1997; Gibson 2004; Riker 1964). There are rules that affect the control the legislative process, giving veto power to certain actors, providing the capacity to initiate the laws, and determining when and how amendments can be added. Moreover, the bureaucracy can exert leverage on the way policy is implemented (Moe 2006; Wood and Waterman 1994).

Furthermore, in a democracy, citizens and representatives have a principal agent problem. Representatives have the temptation of serving their own interests rather than those of the electorate, or if political dividends are high enough, they can be persuaded to serve voices which are stronger and better organized instead of responding or pandering to the demands of an atomized electorate. As a consequence, although elections may help voters sanction representatives who are not sufficiently responsive (Fearon 1999; Przeworski and Stokes 1999), voters need to have adequate information regarding the

responsibility of these representatives in the provision of the public goods they are expected to allocate. Likewise, these services and issues do need to matter to voters, in order to enter into citizens' evaluations of their representatives so they can consider politicians' past performance to form judgments about how the candidates are likely to act in the future (Fiorina 1981).

But issues not only need to be important for voters: individuals also require two types of information: knowledge about who is responsible for outcomes and knowledge of the outcomes themselves. Finally, this kind of information is more likely to be found under institutional settings that create incentives for both efforts by the politicians seeking political gain to disseminate it, as well as efforts by opposition members interested in exposing the underlying flaws and misbehavior of individuals in power. Theoretically, elections generate accountability because politicians strive to please their constituents in order to *win reelection* (Mayhew 1974). The possibility of reelection serves as an institutional instrument to disseminate information to voters on the performance of politicians.

If voters ignore or are confused about who is in charge in the provision of public goods and in the implementation of public policies, it is unlikely they will be capable of sanctioning or rewarding politicians for their performance. G. Bingham Powell summarizes this, "if citizens in a democracy cannot identify responsibility for policy, they cannot use elections precisely to hold policymakers retrospectively accountable for

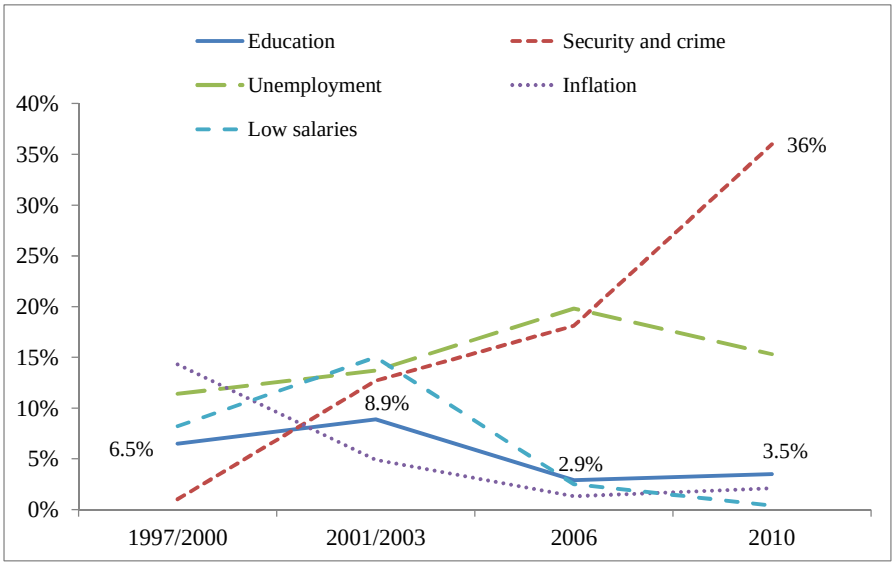
their actions. When policy responsibility is unclear, the incentive for policymakers to anticipate what citizens want and work to achieve it is also lessened. Clarity of responsibility, then, is an important condition if elections are to serve as instruments for citizen control in a democracy" (Powell 2000 p.51). In this sense, contingent on the way policies are decentralized, the mechanisms of accountability can be evaded. Complications that citizens face in allocating responsibility between the different levels of government can help local politicians transfer blame to politicians at higher levels for poor performance (Gélineau and Remmer 2005) or even for lack of sufficient funds.

Likewise, the accountability mechanisms associated with democracy are mediated by the rules that govern elections. The Mexican case is particularly an outlier in Latin America regarding the strict term limit rule.[20] Mexico's prohibition of consecutive reelection is universal and strictly observed. When reelection is forbidden, then holding representatives directly accountable for their behavior in office is practically impossible. There are indirect ways for achieving accountability such as sanctioning their party or by evaluating them directly in case they decide to continue they careers in other political posts. Although voters are incapable of punishing (or rewarding) individual candidates, they still may be able to target parties but are severely limited in directly sanctioning the behavior of their representatives. As Carey underscores in the case of Costa Rica, the other country in Latin America which forbids immediate reelection, "the interest of

[20] Only Costa Rica has the same prohibition for immediate reelection in Latin America.

parties is to win elections. To do so they need to build reputations for providing the goods and services that voters want… But where politicians cannot be reelected, the question arises of what incentive they have to work hard maintaining their party's reputation… The data presented here (*in Carey's study*) suggest that patronage (i.e. political appointments) is the solution to this problem… The electoral connection is not gone in Costa Rica; it is just indirect" (Carey 1996 p.102). Similarly in the Mexican case, despite this indirect path of sanctioning political parties, election laws are inimical to long-term commitment to accountable policy making and public spending.

In the case of education policy in Mexico, these three conditions –importance of the issue for the voters, knowledge of who is responsible for its provision and understanding of the quality of the service---undermine the effectiveness of elections to push for the improvement of education. According to a series of polls by *Latinobarometer*, Mexicans have other concerns rather than education. While at the end of the 1990s they identified inflation as the main problem in the country and only 6.5 percent mentioned education as the most important problem, since 2004 security concerns have been at the center of their attention. By 2010, 36 percent of the Mexican public considered crime to be the main problem that Mexico faced, while only 3.5 percent pointed to education as the main challenge for the country.



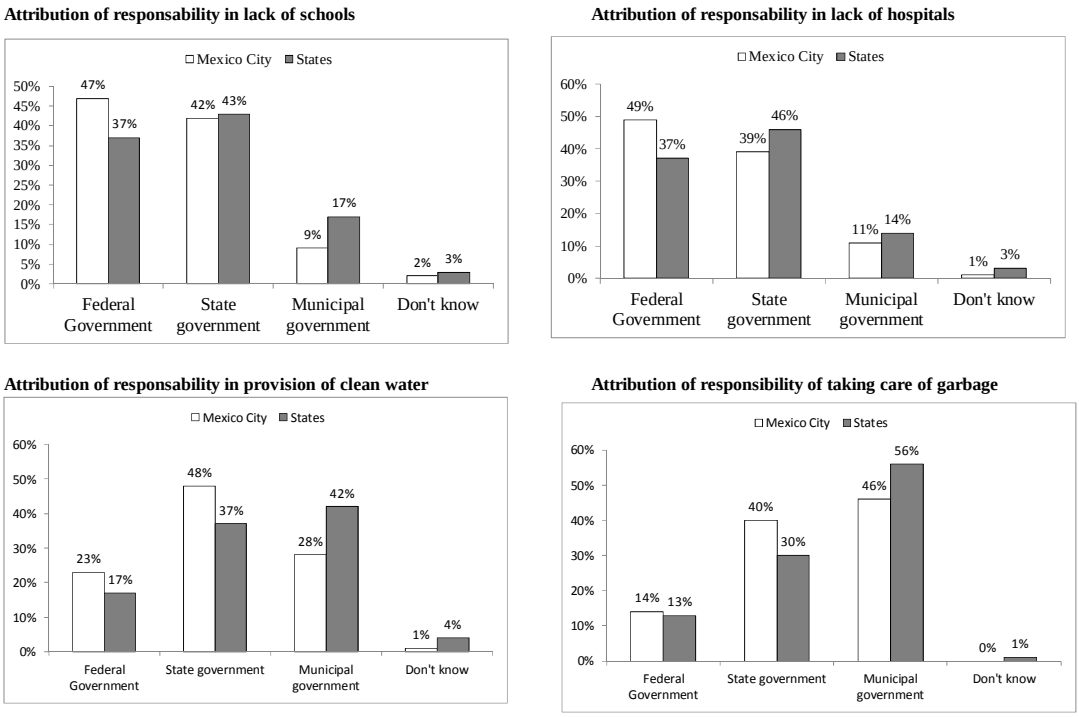
Source: Latinobarometer 1997 – 2010.

Figure 5.4 Citizens' views of which is the most important problem in Mexico

Although the 1992 education reform transferred the administration of the school systems to the governors, the citizens have continued to perceive that the federal authorities have a strong responsibility in the provision of educational services. Thirty-seven percent of Mexicans consider that the federal government is responsible for the lack of schools in their states. Interestingly, the proportion of people who have similar views in Mexico City is higher (47 percent) despite the fact that the education services in the city are completely under the control of the federal authorities. As explained in detail in the historical account of the process of the decentralization of education, one of the

main limitations of the reform of 1992 was that the federal authorities kept key powers over the education system, such as the approval of the curriculum and the evaluation mechanisms. The provision and administration of the education services for basic education and teachers' training colleges was transferred to the subnational authorities, while upper secondary and tertiary education continued to be a shared responsibility.[21] These shared and unclearly delineated responsibilities between levels of government undermine the capacity of citizens to apportion responsibility. Therefore, they reduce the consequences of the electoral connection for a better provision of education services. Moreover, the centralization of taxation coupled with the transfer of dependence of states has made it more difficult for citizens to know which level of government to praise or blame for the delivery of educational services.

[21] Citizens have clearer views on who is in charge of services close to them, such as the provision of clean water and the administration of garbage collection. These services are by law under the control of municipal authorities.



Source: Parametría 2007

Figure 5.5 Attribution of responsibility in public services in Mexico

Finally, citizens need to be aware of the quality of the policies in order to be able to demand accountability from their representatives. During the last decade, there has been a growing discussion in academic circles and in the media about the quality of education in Mexico. The results of both the national and international assessments indicate that Mexico needs to increase its efforts to bolster the quality of its education system. The majority of students still have insufficient or elementary levels of learning on both the verbal and quantitative measures. In the national standardized test known as

ENLACE, for example, in 2006, 78.7 percent of pupils had insufficient or elementary levels in Spanish and 82.4 percent in mathematics.

In 2010, 63.1 percent and 66.1 percent, respectively, continued to earn unsatisfactory or low scores in the aforementioned subjects. In the case of lower secondary education, the challenges are even greater. The advances are small, both in the learning of mathematics and Spanish. In the first case, the ENLACE results show that young people in lower secondary education are not being provided with a high-quality education, since the majority of them have unacceptable levels of performance. Between 2006 and 2010, it was only possible to reduce the number of students with insufficient levels of learning in both subjects by approximately 7 per cent: 88.8 per cent in the case of mathematics and 17.9 per cent in the case of Spanish.

Moreover, the PISA results are also consistent with what the national tests have revealed. An important number of young Mexicans have not reached levels sufficient to perform well in contemporary society. A comparison between the average score obtained between 2000 and 2009 in reading (422 and 425) and sciences (422 and 416) indicates little progress in these areas. Compared to the average score in Latin America, young students in Mexico have a better performance in the reading tests of PISA (425 vs 408 points) but far from the performance of students in countries with similar development

characteristics such as Chile (449), Russia (459) or Turkey (464) (Fernández 2011, OECD 2010, 2011).[22]

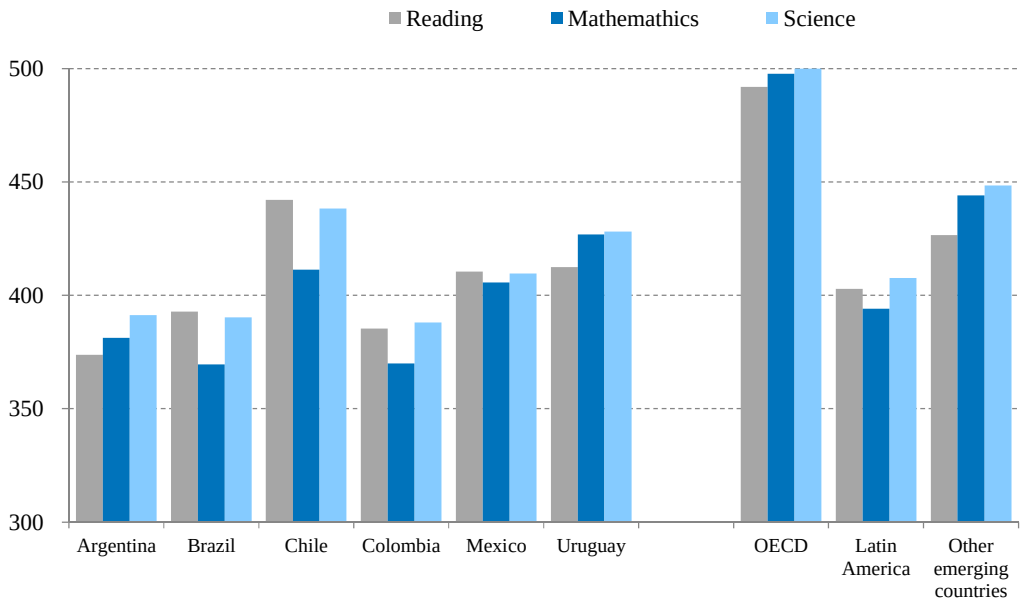


Figure 5.6 Quality of education in Mexico in comparative perspective. Performance or student learning as country average on PISA scales: Reading, Mathematics and Science 2006

Note: Regional averages are simple averages of countries in the PISA sample. Mexico is included in the OECD and Latin America average. Lichtenstein is the only partner country not included in 'Other emerging'.
Source: OECD Development Centre (2007); based on OECD (2007), *PISA 2006 Science Competences for Tomorrow's World*.

[22] The difference in the performance between students from Mexico and students from other advanced educational systems is even more dramatic: OECD average (493), South Korea (539), Finland (536) or Shanghai in China (556).

Despite these multiple signs of the problems in the quality of education in the country, Mexicans have surprisingly high levels of satisfaction with the education system. Several polls show that the majority of citizens are satisfied with the education provided by the schools in the country. One potential explanation for this paradox is related to the relative difference of human capital between the parents and their children. If parents have less education than their children they might be more tolerant or unaware of the deficiencies of the academic results that these schools are producing. Future work will explore this result in more detail.[23]

[23] Similar situations are observed in other Latin American countries. In an overview of citizens' evaluations of public services in the region, researchers from the Inter-American Development Bank found that in Belize, Chile, El Salvador, Guatemala, and Honduras, the citizens have surprisingly high levels of satisfaction with their education systems despite their poor quality results. They found that richer individuals are more critical of the educational systems. Moreover, the education levels of respondents have a strong, nearly linear relationship with perceptions. Those who presumably suffer more directly from the lack of quality education remain the most satisfied with the system, which implies an "aspirations paradox," compatible with findings in other sectors (Lora 2008).

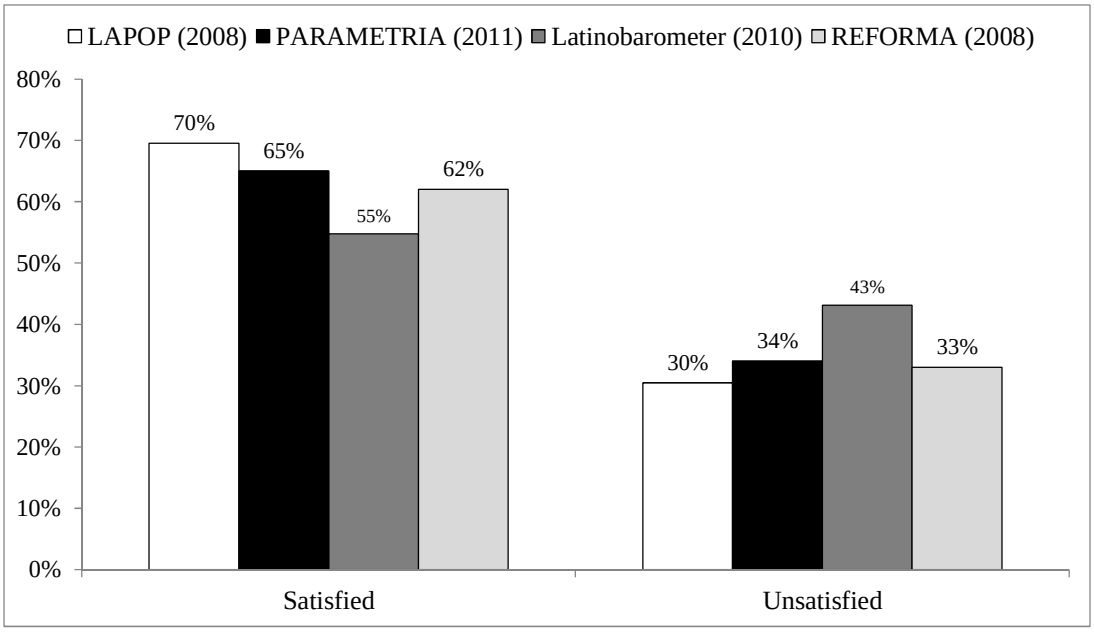


Figure 5.7 Satisfaction with the Mexican education system

The public opinion data presented above show how the levels of information of the mass public can also erode the accountability mechanisms associated with democracy. In the case of education, when citizens do not distinguish who is responsible for what in this policy, the likelihood that they can demand better results in the provision of education services declines. The high levels of satisfaction with the education system in Mexico, despite the stunning results in both the international and national standardized tests and the lack of attribution of responsibility, are consistent with the information problems and the obstacles to electoral accountability. As Philippe Keefer and Khemani have underscored, when voters cannot gauge the probable impact of proposed reforms, then politicians anticipate they will be unlikely to receive the corresponding credit (or

blame) for their decisions during the next election (Keefer and Khemani, 2003; Keefer, 2006).

The combination of education as a low citizens' priority, imprecise attributions of responsibility of authorities for the provision of educational services, and high levels of satisfaction with the current situation in schools in Mexico, considerably undermine the possibility for education to become a relevant issue for citizens' evaluations during electoral periods. Institutional arrangements such as strict term limits and shared responsibility for education between levels of government all are factors that undermine the probability that competitive elections will improve education in Mexico.

In contrast, as mentioned in the discussion of the results, politicians are aware of the political strength of the teachers' union. They not only fear teachers' mobilizations and strikes, but also consider the SNTE to be an attractive electoral ally. Thus, it is worthwhile to serve the SNTE in budgetary terms. In other words, as the mobilization capacity of the union can be used to bring voters to their cause, parties are willing to allocate more resources toward basic education. As we have seen, this strategy transcends ideological differences.

Finally, although it will be discussed in more detail in the next chapter, the electoral strength of the union reminds us that votes and ballots are not totally out of the picture in the allocation of educational budgets in Mexico. Since 2006, when the teachers' party (Nueva Alianza, known as PANAL) was founded, it has participated in 66

local elections. They have joined (formally or implicitly) in eighteen winning coalitions and helped elect 18 governors. In their political alliances they have diversified their risks and have used the electoral needs of the other political parties in order to obtain generous political and economic gains from them. Therefore they have allied themselves 28 times with the PRI, 13 times with the PAN, and 2 times with the left coalition formed by the PRD, PT and Convergencia. These alliances have been politically productive for the teachers; currently PANAL has 7 federal congressmen, 1 senator and 72 local legislators. Electoral concerns in this sense are not absent from the calculations when budgetary decisions are taken.

5.8. Conclusion

Democracy has expanded throughout the world during the last three decades. The "Third Wave of Democratization" (Huntington 1991) was received with enthusiasm not only because of the new political and civil liberties that emerged with it, but especially because of the material benefits that were expected to develop as a consequence of the accountability mechanisms and the responsive governments which would follow competitive democratic elections. As democracy expanded, the decentralization of public services emerged in academic and policy circles alike, as another widely accepted belief for development. The hopes for the consequences of democratization were complemented with an enthusiasm for decentralizing public services. Authorities in charge of the provision of public goods and with a closer proximity to their constituents would be better informed about voters' concerns and preferences and would be capable of serving

their needs in a more direct and efficient way. By empowering local and state authorities there would be more spaces to carry out democratic practices and more effective accountability mechanisms for improving the voters' welfare.

In the case of education, prior research has repeatedly underscored the effects of democracy in the provision of more education services and larger educational budgets as an answer to electoral pressures from competitive elections. Although some scholars have recognized the importance of interests groups for social spending in general, and education in particular (Brown and Hunter 2004; Huber et al 2008; Haggard and Kaufman 2008; Kaufman and Avelino 2001), there has not been up to now, a systematic effort that I know of to thoroughly analyze the influence of teachers' unions on educational spending.[24]

Scholars have focused on the partisanship differences that accompany spending decisions and how globalization forces incentivize the budgetary efforts for education, or alternatively, how economies more integrated into the global markets are forced to cut funds for education to maintain efficiency and equilibrium in countries' public finances.

Unlike the prevalent explanations that account for aggregate levels of spending in terms of political regime differences, electoral considerations, partisanship differences, or

[24] Through a survey among education experts in Mexico, Douglas Hecock finds that states where the dissident teachers' movement (CNTE) is perceived to be more powerful, there are higher levels of educational spending. The measure of teachers' power is indirect and subjective given that is based on the opinions by researchers on education policy. The time period analyzed by Hecock (1999-2004) is shorter and the number of cases is smaller (29 states) than the information used in the models presented here. Hecock focuses exclusively on basic education and leaves out of the analysis the politics of the allocation of federal grants, which are the main source of educational spending in Mexico.

international factors, the theoretical explanation advanced in this chapter is that the distribution of educational spending between educational levels is the result of the social mobilization capacity of the organized actors in the education sector. Furthermore, by disaggregating spending by education level, the analysis presented in this chapter assesses the distributional considerations that accompany public spending and provides a more complete understanding of the domestic political forces that shape the allocation of resources in education. An approach such as the one followed in this work allows us to identify how the political rationales behind the spending decisions are not necessarily the same, as the beneficiaries of these resources are different and have distinct resources at their disposal to force their demands to be served by elected officials.

The findings are consistent with the main theoretical expectations: the best organized groups in the education sector are the teachers, who are capable of extracting larger budgets from politicians by taking advantage of their collective action capacity to carry out disruptive actions on the streets as well as to mobilize voters. These disruptive actions force more generous funding from subnational governments. Thus, the budgets for basic education are larger in states where teachers have carried out more of these actions. In contrast, organized groups in the tertiary education sector have been unsuccessful in making their demands heard using a similar disruptive strategy. Their protests, sit-ins, marches, demonstrations, strikes and other disruptive actions have not made politicians pander to their economic requests. This differentiated capacity of organized groups inside the education sector is an observable implication of the theory

advanced in this dissertation. Actors have different access to diverse institutional, economic and political resources to bring their demands to the streets. The teachers' union is by far the most powerful organized interest group in the education sector. Its political influence has allowed its members to extract resources at the subnational level and, as was shown in the previous chapter, also has made possible to obtain more generous resources from the federal authorities.

The evidence presented in this chapter invites us to question our assumptions about how competitive elections and decentralization of public policies affect voters' welfare. The teachers' union in Mexico was founded during the hegemonic authoritarian years of PRI governments. However, as democratization appeared at the state level and subnational authorities became more relevant actors in policymaking, the union was capable of adapting to the pluralistic circumstances that accompanied competitive elections. The SNTE not only has survived both processes of democratization and decentralization, but has taken advantage of them to advance its interests in the education sector. It has exploited the electoral concerns of subnational authorities and has used the blurred responsibilities in the education policy that accompanied an incomplete process of decentralization, in order to extract resources from both levels of government. In exchange, politicians from all political parties expect to benefit in two ways: by avoiding disruptive politics that could affect governance in their states (and consequently their political performance in the next cycle of elections), and by trying to gain the support of

the union sections in order to use their mobilization capacity in the interest of their electoral machines.

Interestingly enough, the evidence analyzed in this chapter brings into question the attempts that have been made to incorporate the literature of political parties and the provision of education from the OECD to the developing world. In a nutshell, this literature identifies the left-wing parties as the defenders of educational budgets and the right-wing parties as institutions concerned with efficient fiscal considerations and far from being the promoters of public budgets for education. However, as was shown in the case of primary education, there is no empirical support for the idea that the left-wing parties are more generous on educational spending. The power of the teachers' union, which is the main beneficiary of spending decisions in basic education, has diluted any possible partisan difference in terms of the funds allocated to public schools at this level. The union has forced governors to respond favorably to its economic demands, independent of their political affiliation.

However, ideological differences are not totally absent in the decisions over resources for education. Local congresses with a larger number of PRI members allocate more resources for basic education. Since SNTE has several members who serve as PRI Congressmen, it has been successful in receiving the support of the PRI's allies in the subnational assemblies. Ideological differences are clearer in the tertiary education sector, but in the opposite way the traditional literature would suggest. PRI governors

spend less on public universities compared to their *Christian right-wing* counterparts from the PAN. There is no evidence that left-wing oriented executives from the PRD spend more on this education level. In this sense, although politicians from the PAN have recurrently been perceived as distant actors or even enemies of public universities, the empirical evidence analyzed here suggests that this party serves the middle classes who attend this kind of institutions by funneling larger budgets to them in the states they govern.

Different institutional mechanisms such as strict term limits, as well as the incomplete decentralization of education have limited the role of competitive elections as vehicles for more resources for this social policy. However, as has been pointed out, electoral considerations are not totally absent when education funds are determined in Mexican states. More pluralistic legislatures have approved larger budgets for basic education. Consistent with the behavior of parties from the entire ideological spectrum who have pandered to the union demands, in local congresses with a larger number of parties represented, congressmen of all political stripes have pursued universal strategies in the allocation of education funds which are favorable to the union.

Beyond Mexico the findings remind us about the need to seriously consider the role of interest groups who can capture reform efforts such as decentralization in order to dilute their broader social benefits to obtain private gains. Moreover, the collective action capacity of these groups serves to qualify the assumptions of the literature on

democracy and the provision of public goods, to go beyond simplistic views concentrated exclusively on the median voter as the target of budgetary decisions. In this sense, rather than to abandon the perspective of the median voter, future research on the politics of public spending and public good provision need to analyze how interests groups can serve politicians' electoral concerns and become a vehicle to approach the median voter indirectly. Teachers' unions are one example, and perhaps the most emblematic among the actors involved in the provision of public goods and social policy, of an organized interest group that mediates the relationship between elected authorities and their constituencies.

6. Beyond the Mexican Hoffa:

The Teachers' Union Sources of Power and their Consequences for Education

6.1. Introduction

"You ask why we do not publicize the funds we receive from the government. We are not stupid. But we inform about this money where we have to, it is part of a political strategy" (Gutiérrez Vega 2011). This is Elba Esther Gordillo's answer to a reporter inquiring about the quotas that the teachers' union of which she is the "life-time president" ("*presidenta vitalicia*") receives from its more than 1.4 million members. The Mexican teachers' union (*Sindicato Nacional de Trabajadores de la Educación* - SNTE) is the largest trade union in Latin America. It has 59 sections located in each of Mexico's states. Since it was founded in 1943, the union continues to expand its control over the Mexican education system. The SNTE, between 1992 and 2008, launched more than 4500 protests, marches, strikers, streets blockades and other disruptive actions which resulted in them extracting economic benefits and pay raises from the federal and the subnational governments.

The movement towards decentralization of the education system began in the late 1970s, although the first attempts for its implementation started since the 1950s. After many failed attempts, it was finally achieved in 1992. The SNTE was able to greatly influence the design of decentralization and thereby benefit from it. As democratization paved its way along the 31

Mexican states, the union sections learned how to adapt and take advantage of the competitive elections that accompanied the young Mexican democracy. Along its history, the union has been capable of using a portfolio of strategies and tactics through which it has consolidated its control over the education system and has strengthened its influence over the political system. At first it was a loyal but demanding component of the corporatist structure of Mexico's hegemonic party (PRI). In exchange for bringing votes to the priista electoral machine, the union received control of several key positions in the education bureaucracy. Today the SNTE is still a corporatist organization which has gained autonomy from all political parties at both levels of government in order to use its mobilization capacity not only to gain privileges in the streets, but to continue obtaining the necessary votes that competitive elections demand. Now, the union has been capable of bringing these votes to their own electoral cause through a new political instrument, the political party Nueva Alianza (PANAL) by which it has gained new legislative spaces in both the federal and subnational legislatures. These new legislative positions have increased the SNTE's influence over the allocation of educational budgets and have strengthened its power over Mexican politics.

The accumulation of wealth and political power of the teachers' union leader has prompted scholars to refer to her as the "Jimmy Hoffa in a dress" (a comparison with the deceased boss of the Teamsters International Union). Others have considered her the "Darth Vader of Mexico" (Córdoba 2003; Zepeda Patterson 2007). But beyond the personal power that undoubtedly Gordillo has accumulated over the years, it is necessary to understand how and why

the institutional characteristics of the Mexican political and education systems have allowed her and the SNTE to have expanded their political influence. In this chapter, I analyze how the union has supplemented the strategy to disrupt the streets by capturing the structure of the whole education system and use the selective incentives under its control to consolidate its clout to mobilize voters and increase its legislative representation.

The benefits and economic privileges have multiplied over the last two decades. Both the decentralization of political power and its democratization have failed to curtail the increasing control that the SNTE has gained over education. Despite multiple evidence of corruption and clientelistic practices the union has not only survived democratic politics but has benefited from it. The chapter is organized as follows. In the first section I review how the union has used its mobilization capacity to establish an independent electoral structure through which it has diversified its political alliances with the major political parties. In the second section I explain how the union has captured the education structures of the subnational and federal education ministries. These bureaucratic positions have allowed the union to consolidate its access to benefits and privileges that can be used as selective incentives to maintain discipline among its members and which provide them the mechanisms to enforce and enable their mobilization skills. Third, I summarize the main benefits that the union has provided to its members and how those benefits vary across each state. Additionally, I provide evidence that confirms that the members of the union benefit from multiple privileges through which, despite a large list of corruption practices, have served as carrots to maintain the cohesion of this large organization.

Fourth, I describe how other actors with important collective action capacity have learned from the SNTE and even joined them in implementing disruptive actions to obtain economic gains. Fifth, I analyze the institutional characteristics of Mexico's young democracy and of its education system which have allowed that a negative situation for the country's development has continued despite competitive scenarios at both the national and the state levels. Finally, I provide some tentative conclusions on the influence of the teachers' union in Mexico.

6.2. The teachers' union knows how to win votes.

The teachers' union has learned how to adapt to the democratization of the country. As the number of states governed by a party different from the PRI started to grow, the union developed new political alliances and understood the need to adapt to deal with the new comers to power. When the PRI lost the presidency in 2000, the SNTE saw a window of opportunity opening to enable it to diversify political alliances, gain autonomy and consolidate its power in Mexican politics. In 2005 the secretary general Elba Esther Gordillo "*La Maestra*" instructed a close group of collaborators to take the necessary steps to form a political party of the teachers. The long acknowledged mobilization of union members used during the authoritarian years to gain voters for the PRI was not going to be wasted; quite contrary it would become the main asset to make the new teachers' party possible. The teachers' union had developed during the previous elections a structure for monitoring elections, now this structure will compete for votes with a party called *Nueva Alianza* (PANAL).

The former election observers in this structure were all teachers under the payroll of the Mexican education system. These teachers had been commissioned to work for the union keeping their salaries as if they were present in their classrooms. The General Rules for Working Conditions of the Workers for the Education Ministry, which regulates the working conditions of the teachers decentralized to Mexican states, establish that teachers can be commissioned to work for the union, but explicitly state that in such situations they should do it without payment. The receipt of salaries by these commissioned teachers can only be explained by the power of the union over the federal and subnational education ministries.

The SNTE has been capable of using its vast array of proven strategies to enable it to maintain its political clout. It is the state authorities in the education ministries who authorize the teachers' permits to become commissioned to different activities, among them union activities. Since an important number of these authorities are members of the teachers' union, it is not surprising that the permits are granted with their corresponding salary payments intact. Some state governments complain about the pressures for authorizing the "comisionados", but finally conceded to them these privileges. In a hearing with the Education Committee in the federal congress, the education minister of Puebla (Darío Carmona) complained about the budgetary consequences that result from paying these "teachers". He requested more federal education transfers and tried to justify that the agreements with the union (authorizing the commissioned teachers and the salaries increases) are not taken by state authorities. Carmona requested the congressmen to help the states find solutions to resolve the economic sanctions that

the Federal Superior Audit Office (Auditoría Superior de la Federación – ASF) had imposed upon the subnational governments for paying commissioned teachers with federal funds. The ASF has repeatedly pointed out during the last three audits that the states are violating the law by paying commissioned teachers to the union. To highlight this point, the ASF alleged in 2008 that: (1) 117 514 teachers who were reported to be working at 44 000 schools in reality did not exist, (2) 232 teachers receiving double salaries from schools in two different states that were not neighbors, and (3) 3 397 teachers were receiving salaries considerably higher than the average authorized salary.[1] Despite these findings, several of these practices persist.

In January 2007, a former close collaborator of Elba Esther Gordillo made it known that Gordillo had manipulated the SNTE's influence in order to favor the growth of *Nueva Alianza*, a new party which would represent the teachers' interests. According to Noé Rivera, the SNTE's secretary of finance provided 51 million pesos (4.6 million dollars) per month, between January and June 2006, to consolidate a national electoral machine. This machine was managed by 372 persons, most of them teachers with the commission permit to work for the union. Their salaries ranged from 35,000 to 80,000 pesos per month ($3255 to $7440). Seventy of these teachers were members of the central committee of the SNTE. Fifty-five were secretary generals of the union. Forty were members of PANAL and people from the Fundación SNTE, a think tank financed by the union; whose director is an elections' expert and a formal council member of the

[1] These excessive salaries are approximately between 60 000 pesos and more than 150 000 pesos per month (4347 – 10 870 dollars per month). A regular teachers' salary, without including benefits or extra payments for Carrera Magisterial, is 9182 pesos (approximately 665 dollars per months).

Federal Institute of Elections (*Reforma*, January 21th 2007, Olmos 2007, and interview with Noé Rivera April 16th, 2008). According to Rivera, the funds for financing these activities came from the resources given by the federal government for the construction of teachers' houses known as "Fideicomiso para la Vivienda del Magisterio (VIMA)". Although the existence of this electoral machine within the union was highly criticized by different politicians, others with links to the union tried to lessen the criticisms against it. The PRI congressman Daniel Amador, member of the SNTE, explained in an interview, "the Committee of Political Action of the SNTE is diverse because it has teachers from all political parties and supports with economic contributions the candidates of all political parties" (Hernández 2007).

The electoral machine of the SNTE was able to produce positive results for the new political party. The 2006 presidential elections were the closest in the history of Mexico's young democracy. With 243 934 votes in his favor Felipe Calderón from the PAN won the election. As it was described in chapter 4, during the previous weeks of the election "la maestra" tried first to approach the leftist candidate Lopez Obrador to establish a possible electoral coalition and then, after the PRD candidate's refusal, Elba Esther Gordillo approached Felipe Calderón to establish a political alliance. PANAL contacted its supporters and asked them for at least one of three possible votes. The possible votes were for president, congress or the senate. If this strategy was successful *Nueva Alianza* would be able to keep its register as political party and could influence the electoral result.

The real influence of the teachers' union leadership in the 2006 elections has been widely debated. While the PANAL presidential candidate obtained 0.96 percent of the national vote, the support for this party in Congress was higher with 4.48 percent of the national vote. In a series of telephone conversations between "la maestra" and governors from the PRI, the teachers' leader tried to influence the electoral result. The conversations leaked to the press show Gordillo suggesting to her former party colleagues that they should support Felipe Calderón in the election given that the PRI candidate was far in third place.

Recent analyses point out that the capacity of Elba Esther to influence the teachers' vote was in reality a bluff. Had her instructions been followed, there would have been a positive correlation between the strategic vote for PANAL and the support for Calderon, and a negative correlation with the votes for Lopez Obrador. However, Javier Aparicio shows that the converse was true. In a regression analysis of the 2006 polling results from the 2006 election, Aparicio finds that the votes for PANAL in the congressional election had a positive statistical significant effect upon the presidential votes for López Obrador and null effect for Calderón (Aparicio 2011). The empirical evidence suggests that Gordillo's instructions were not followed by the union's members. Furthermore, teachers have said they will not follow the orders of their leadership when electoral instructions are given. In a poll between teachers from Mexico City, Guadalajara and Monterrey, 90 percent of them say they would not vote for the candidate supported by the SNTE (Áviles 2007; *Reforma* 2011).

Although the SNTE's electoral power could be perceived as overrated, the results at both the subnational and federal level confirms that the mobilization capacity of the union can be very effective to obtain votes. Since its creation in 2006, from the 64 local elections that have taken place and the two federal electoral processes on which PANAL has participated, the teachers' union party has been able to show its strength and its capacity to gain from democratic politics. In the first round of subnational elections between 2006 and 2009 Nueva Alianza won 36 local congressmen. Three years later it has double the number of members in the subnational legislatures with 72 congressmen. Consistent with its strategy to gain autonomy and influence over the political scene, PANAL has allied 28 times with the PRI, 13 times with the PAN and has participated two times in a grand coalition with the PRD, PT and Convergencia.[2]

As it can be seen in tables 6.1 and 6.2 the capacity to understand electoral politics by the teachers' leaders is remarkable effective. In their strategies, there is a capacity to achieve long term goals by learning from past mistakes. For example, in the midterm elections of Aguascalientes in 2007, PANAL, consistent with its alliance with the new federal administration, decided to join a coalition with the PAN. However, joining this coalition did not pay off. They did not gain any legislative positions. But *Nueva Alianza* learned its lesson and three years later when the gubernatorial elections took place, the teachers switched coalition partners and joined

[2] The grand coalitions the PAN joined forces with the left parties PRD, PT and Convergencia. These grand coalitions finished more than 80 years of PRI governments in Puebla and Oaxaca. In the case of Oaxaca although formally PANAL competed alone, in the practice the union called its members to vote for the coalition candidate Gabino Cué. The candidate of the coalition in Puebla, now governor Rafael Moreno Valle is considered a politician very close to the union's leader Elba Esther Gordillo.

the PRI and the green party (PVEM) for winning the governorship. The PAN lost a state which it had governed since 1998, and PANAL reached four congressmen in the local legislature.

PANAL has participated alone in 21 from the 64 subnational elections held in the aforementioned period, achieving mixed results. In most of the cases the party had some legislative triumphs, but when they had not been attractive enough or had been too negative, the leaders showed once again their capacity for adaptation and jumped into electoral coalitions to reposition in the local politics. In at least nine states (Campeche, Coahuila, Colima, Morelos, Querétaro, Quintana Roo, Tabasco, Tlaxcala and Zacatecas) *Nueva Alianza* has changed its strategy and joined coalitions with positive results for their legislative representation.

In four states (Baja California Sur, Morelos, Nuevo León and Oaxaca) the PANAL had formally competed always alone. With the exception of Nuevo León, the results in terms of legislative positions were mixed and suggest that when political conditions are favorable it is a more effective strategy to join a coalition with one of the bigger parties. In Baja California Sur by continuing to compete alone *Nueva Alianza* lost one legislator, while in Oaxaca it lost its entire congressional representation. Nevertheless, in Morelos efforts paid them off and they gained one local legislator. Finally, Nuevo León shows that the in certain states the union's strength was more powerful. Here PANAL had flexed its political muscle with very effective results. In both electoral processes PANAL had decided to compete alone. In 2009 the eventually loser PAN candidate tried to get an electoral alliance with PANAL. Elba Esther

Gordillo flirted with the proposal but at the end decided that the teachers' party should compete alone. Reports by the newspaper *Norte* showed that in a meeting with authorities from the PRI administration of Nuevo León, some school supervisors and principals gathered together to receive instructions to promote the vote in favor of the PRI. Nevertheless, in formal terms *Nueva Alianza* competed alone and this strategy paid off again. The teachers were able to keep the two legislative positions they had gained in 2006.

Finally, there is a saying in Mexico: "*más vale sólo que mal acompañado*", it is better to be alone, than with poor company. *Nueva Alianza* leadership has learned this lesson when political conditions are unfavorable and electoral coalitions have not worked as expected. In 2006 in Guanajuato PANAL supported the candidacy of the eventually PAN governor Juan Manuel Oliva. However, in legislative terms this alliance did not pay off. In consequence, three year later the teachers' party decided to compete alone. The move was wise, PANAL won its first congressmen in the local congress.

The electoral support to eventual winning candidates has been well compensated. In Puebla, during the first salary negotiations between the new governor Rafael Moreno Valle and the union sections, the funds for teachers' benefits increased considerably. Moreno Valle is considered to be very close to the teachers' union leader. Thirty five new benefits such as laser eye surgeries, funds for school supplies for the teachers' children as well as more scholarships for teachers to study abroad were added to the existing list of teachers' privileges. The general

secretary of the teachers' union section 51 confirmed his support for the new governor "today who is in office is an *elbista.* We need to recognize Elba Esther Gordillo's work here". While the leader of the other union section underscored "this negotiation has been historic… it is the best for the teachers in the last 20 years" (Rojas, 2011).

In their mobilization efforts the union does not hesitate to use one of its main assets: their control over the classrooms. In January 2011, the press reported how in the municipality of Ecatepec in the State of Mexico, one of the poorest in the country, the union distributed handouts with the legend "Mother, get a ten…vote for *Nueva Alianza*!"[3] For example, in the elementary school Constitution de Apatzingán kids were asked to help in packing these handouts.[4] Their teachers instructed them to deliver the handouts to their parents, with the message that there were going to be outside of the school food packages of vegetables, fruits, and groceries with a subsidized price in the following days. Their parents needed to bring these handouts with their personal information and copy of their parents' electoral identity cards in order to have access to buying these subsidized goods. Parents complained that the principal of the school (Norma Ángelica Colón) was obsessed with the teachers' party while ignoring her school responsibilities. In 2009, she had been the PANAL candidate for district 13 in the State of Mexico. The school supervisor (Héctor Torres) instead of firing Norma became her ally. He was also calling out parents to vote for her friend, the school's principal. As witnesses of the political activities of

[3] The grade system in Mexico uses a ten point scale. The maximum grade is ten.
[4] A copy of the handout can be seen in the appendix.

the teachers, parents were left without institutional protection. The authorities in charge of establishing the corresponding sanction are loyal members of the union. The school principal is right when she said in a defiant voice "talk whatever you want. You can't do anything to me!" (Avilés 2011).

A similar strategy was seen in Baja California Sur. One month before the state elections, teachers distributed drawing books with electoral messages in favor of PANAL. When asked about the teachers' behavior, the state secretary of education Omar Castro Cota candidly declared that "as long as there is no official report to the authorities nothing can be done". Castro suggested that given the number of schools in the states it was "really hard to monitor what is going inside the classrooms because that would require doubling the number of workers in the education system" (Avilés and León 2011). Castro's words confirm how the union has captured the educational structure to take control over the education system. This capture allows them to carry out its electoral activities without institutional obstacles.

Table 6.1 The Teachers' Party Electoral Strategies in Subnational Mexican Elections (2006 – 2011)

State	Year	Type of election: Governor	Type of election: State legislature	Winning coalition	PANAL and other parties	PANAL and the winning coalition	PANAL in state legislatures	Strategy next local election	Result
Aguascalientes	2007	0	1	PAN - PANAL	PAN - PANAL	Member	None		Negative
	2010	1	1	PRI-PVEM-PANAL	PRI-PVEM-PANAL	Member	4	Switch	Positive
Baja California	2007	1	1	PAN - PANAL - PES	PAN - PANAL - PES	Member	2		Positive
	2010	0	1	PAN- PANAL - PES	PAN- PANAL - PES	Member	2	Loyal	Positive
Baja California Sur	2008	0	1	PRD-PT-Convergencia	PANAL competed alone	Not member	2		Positive
	2011	1	1	PAN - PRS	PANAL competed alone	Not member	1	Independent	Negative
Campeche	2006	0	1	PRI	PANAL competed alone	Not member	None		Negative
	2009	1	1	PRI-PANAL	PRI-PANAL	Member	3	Get into coalition	Positive
Chiapas	2007	0	1	PRD	PAN-PANAL	Not member	2		Positive
	2010	0	1	PRD-PAN-PANAL	PRD-PAN-PANAL	Member	2	Loyal	Positive
Chihuahua	2007	1	1	PRI-PANAL	PRI-PANAL	Member	3		Positive
	2010	0	1	PRI-PVEM-PANAL	PRI-PVEM-PANAL	Member	4	Loyal	Positive
Coahuila	2008	0	1	PRI	PANAL competed alone	Not member*	None		Negative
	2011	1	1	PRI-PVEM-PANAL-PPC-PS	PRI-PVEM-PANAL-PPC-PS	Member	2	Get into coalition	Positive
Colima	2006	0	1	PRI-PVEM	PANAL competed alone	Not member	Nonce		Negative
	2009	1	1	PRI-PANAL	PRI-PANAL	Member* *	3	Get into coalition	Partially positive
Durango	2007	0	1	PRI-PANAL-PD	PRI-PANAL-PD	Member	1		Positive
	2010	1	1	PRI-PANAL-PVEM-PD	PRI-PANAL-PVEM-PD	Member	3	Loyal	Positive
Guanajuato	2006	1	1	PAN-PANAL	PAN-PANAL	Member	None		Negative
	2009	0	1	PAN	PANAL competed alone	Not member	1	Loyal	Positive
Guerrero	2008	0	1	PRD	PANAL competed alone	Not member	1		Positive
	2011	1	1	PRD-PT-Convergencia	PRI-PVEM-PANAL	Not member	1	Get into coalition	Positive
Hidalgo	2008	0	1	PRI-PANAL	PRI-PANAL	Member	5		Positive
	2010	1	1	PRI-PVEM-PANAL	PRI-PVEM-PANAL	Member	6	Loyal	Positive
Jalisco	2006	1	1	PAN	PANAL competed alone	Not member	2		Positive
	2009	0	1	PRI	PRI-PANAL	Not member*	None	Get into coalition	Negative
México	2009	0	1	PRI-PANAL	PRI-PVEM-PANAL-PSD-PFD	Member	2		Positive
	2011	1	0	PRI-PVEM-PANAL	PRI-PVEM-PANAL	Member	6	Loyal	Positive
Michoacan	2007	1	1	PRD-PT-Convergencia-PAS	PAN-PANAL	Not member	1		Positive
	2011	1	1	PRI-PVEM	PAN-PANAL	Not member	1	Loyal	Positive
Morelos	2006	1	0	PAN	PANAL competed alone	Not member	None		Negative
	2009	0	1	PRI	PANAL competed alone	Not member	1	Get into coalition	Positive

Author's calculations with information from the state legislatures, state electoral institutes and local newspapers.

* PANAL lost its registration

**Although PANAL got 3 local congressmen, given the terms of the coalition agreement the party lost its registration.

Table 6.2 The Teachers' Party Electoral Strategies in Subnational Mexican Elections (2006 – 2011)

State	Year	Type of election: Governor	Type of election: State legislature	Winning coalition	PANAL and other parties	PANAL and the winning coalition	PANAL in state legislatures	Strategy next local election	Result
Nayarit	2008	0	1	PRI-PANAL	PRI-PANAL	Member	2		Positive
	2011	1	1	PRI-PANAL	PRI-PANAL	Member	2	Loyal	Positive
Nuevo Leon	2006	0	1	PAN	PANAL competed alone	Not member	2		Positive
	2009	1	1	PRI-PVEM-PD-Cruzada Ciudadana	PANAL competed alone	Not member	2	Independent	Positive
Oaxaca	2007	0	1	PRI-PVEM	PANAL competed alone	Not member	1		Positive
	2010	1	1	PAN-PRD-PT-Convergencia	PANAL competed alone	Not formally member Ŧ	None	Independent	Negative
Puebla	2007	0	1	PRI-PVEM	PANAL competed alone	Not member	2		Positive
	2010	1	1	PAN-PRD-PANAL-Convergencia	PAN-PRD-PANAL-Convergencia	Member	4	Get into coalition	Positive
Queretaro	2006	0	1	PAN	PANAL competed alone	Not member	1		Positive
	2009	1	1	PRI-PANAL	PRI-PANAL	Member	3	Get into coalition	Positive
Quintana Roo	2008	0	1	PRI-PVEM	PANAL competed alone	Not member	2		Positive
	2011	1	1	PRI-PVEM-PANAL	PRI-PVEM-PANAL	Member	2	Get into coaliton	Positive
San Luis Potosí	2006	0	1	PAN-PANAL	PAN-PANAL	Member	None		Negative
	2009	1	1	PRI-PVEM	PAN-PANAL	Not member	4	Loyal	Positive
Sinaloa	2007	0	1	PRI-PANAL	PRI-PANAL	Member	2		Positive
	2010	1	1	PAN-PRD-Convergencia	PRI-PVEM-PANAL	Not member	3	Loyal	Positive
Sonora	2006	0	1	PRI-PANAL	PRI-PANAL	Member	2		Positive
	2009	1	1	PAN	PRI-PVEM-PANAL	Not member	3	Loyal	Positive
Tabasco	2006	1	1	PRI	PANAL competed alone	Not member	None		Negative
	2009	0	1	PRI-PANAL	PRI-PANAL	Member	1	Get into coalition	Positive
Tamaulipas	2007	0	1	PRI-PANAL	PRI-PANAL	Member	1		Positive
	2010	1	1	PRI-PANAL	PRI-PANAL	Member	3	Loyal	Positive
Tlaxcala	2007	0	1	PAN-PAC	PANAL competed alone	Not member	1		Positive
	2010	1	1	PRI-PVEM	PAN-PANAL-PAC	Not member	1	Get into coaliton	Positive
Veracruz	2007	0	1	PRI-PVEM-PANAL	PRI-PVEM-PANAL	Member	None†		Positive
	2010	1	1	PRI-PVEM	PAN-PANAL	Not member	2	Switch coalition	Positive
Yucatán	2007	1	1	PRI-PVEM-Partido Alianza por Yucatán	PAN-PANAL	Not member	None		Negative
	2010	0	1	PRI-PVEM	PANAL competed alone	Not member	None	Opt out of coalition	Negative
Zacatecas	2007	0	1	PRD-Convergencia	PANAL competed alone	Not member	None		Negative
	2010	1	1	PRI-PVEM-PANAL	PRI-PVEM-PANAL	Member	2	Get into coaliton	Positive

Author's calculations with information from the state legislatures, state electoral institutes and local newspapers.

Ŧ PANAL was not formally member of the winning electoral coalition in Oaxaca in 2010. Ten days before the elections, several suverys suggested that the opposition candidate (Gabino Cué) would be the winner. The PANAL candidate declined in favor of Cué 5 days before the election.

† Although PANAL did not win any seat in Veracruz in 2007, several PRI legislators had links with the teachers' union.

the federal level the electoral influence of the teachers' union has increased. During the years of the hegemony of the PRI the SNTE had always an important number of legislators. The union was considered one of the main allies in the corporatist structure of the political regime. As a vehicle of mobilization, clientelism and discipline between teachers, the leaders of the union received compensation with multiple political posts (Bizberg 1990; Bensunsán 2000; Muñoz 2005; Reyes del Campillo 1990). As it was reviewed in the historical chapter, several of the secretary generals of the SNTE were federal congressmen, senators and governors. Between 1979 and 2000 on average there were 11 PRI legislators who came from the teachers' union. Nevertheless, as the federal congress became more plural teachers also have found legislative spaces through other political parties. During the last two legislatures, there have been 36 teachers who have been deputies by the PRI, PAN, PRD and PT. On top of that the SNTE has had 16 legislators and one senator through its party.

Table 6.3 The SNTE Legislative Power in the Federal Congress

Year	1979	1982	1985	1988	1991	1994	1997	2000	2003	2006	2009
PRI	296	299	289	260	320	301	243	208	199	106	239
SNTE-PRI	12	15	14	16	9	12	7	6	25	3	13
SNTE-PAN	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	5	3
SNTE-PRD	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	4	6
SNTE-PT	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1	1
PANAL*										9	7
PANAL (senate)										1	

Author's calculations based on Muñoz 2009 and information from the Mexican Congress
*PANAL was founded on 2006.

In sum, the extensive subnational and federal legislative representation achieved by the teachers' union confirms its electoral strength and political influence. With the support of these legislators, the union can have a complementary institutional protection of their interests and can influence the allocation of more resources to its cause. Usually, the legislators from the SNTE are members of the Education Committees where the allocation of funds between education levels is discussed before being presented to the floor for their approval. Interviews with subnational and federal congressmen suggest that this has become an important political strategy to complement the union's economic demands. They try to make sure that the budgetary allocations are favorable to their interests. If they fail, they can always use the streets to make their voices served. The previous chapters have shown that they have been successful when opting for this venue. Complementarily, they manipulate the allocation of resources to their

control by capturing several main positions in the education structures from the state education systems and the federal education ministry.

6.3. The colonization of the education ministries: teachers as workers and authorities

All the lines of authority are controlled by the union. It starts with the principals who report to the school supervisors. They are under the supervision of the zone inspectors (equivalent to the education superintendents in the USA) who finally report to the general directors of each education level: general directors of elementary schools and general directors of secondary (lower secondary) education. The boundaries between the bureaucratic authorities from the education ministries and the union positions are constantly trespassed (Arnaut 1996). For example, the school supervisors as the one described in the previous section, are in theory in charge of overseeing the behavior of teachers in the school districts (properly called "zonas escolares"). But several of these supervisors are also leaders of the union section committees (Latapi 2001; Miranda 1992).

According to an exhaustive review of several local newspapers, the websites of the education ministries and the local union sections, as well as reports from confidential interviews with education authorities, there is empirical evidence to confirm that from the current main authority positions in the state education ministries, the union controls 48 posts. As it can be seen in table 6.4, eight of the education ministers are members of the union sections: Aguascalientes, Baja California Sur, Chiapas, Colima, Nayarit, San Luis Potosi, Tlaxcala and

Zacatecas. In most of these states PANAL participated in the electoral winning coalition. In San Luis Potosi and Tlaxcala, despite that the teachers' party made an electoral miscalculation by supporting the PAN's losing candidates, the union managed to make two of its members the state secretaries of education. In the case of San Luis Potosi, the decentralized teachers are under control of another secretary close to the PRI governor. Finally, although PANAL competed alone in the gubernatorial election in Baja California Sur, the new panista governor named a secretary who is member of the section 3 of the teachers' union section.

Table 6.4 Education Authorities with links to the Teachers' Union in Mexican states

State	Party in government	PANAL member of winning coalition for governor election	Number of positions in the education system controlled by SNTE members	Secretary of Education is member of the SNTE	Director of Carrera Magisterial	Undersecretary of Basic Education or Director of Basic Education
Aguascalientes	PRI	Yes	2	Yes	Yes	No
Baja California	PAN	Yes	0	No	No	No
Baja California Sur	PAN	No	3	Yes	Yes	Yes
Campeche	PRI	Yes	1	No	Yes	No
Chiapas	PRD	Yes	3	Yes	No	Yes⁂
Chihuahua	PRI	Yes	1	No	Yes	No
Coahuila	PRI	Yes	1	No*	Yes	No
Colima	PRI	Yes	3	Yes	Yes	Yes
Durango	PRI	Yes	0	No	Uncertain	No
Guanajuato	PAN	Yes	1	No	Yes	No
Guerrero	PRD	No	0	No	No	No
Hidalgo	PRI	Yes	1	No	No	Yes
Jalisco	PAN	No	2	No	Yes	Yes
México	PRI	Yes	0	No	No	No
Michoacán	PRD	No	2	No	Yes	Yes†
Morelos	PAN	No	0	No	No	No
Nayarit	PRI	Yes	3	Yes	Yes	Yes
Nuevo León	PRI	No	2	No	Yes	Yes
Oaxaca	PRD	No**	1	No	No	Yes†
Puebla	PAN	Yes	1	No	No	Yes†
Queretaro	PRI	Yes	2	No	Yes	Yes‡
Quintana Roo	PRI	Yes	2	No	Yes	Yes
San Luis Potosí	PRI	No	4	Yes	Yes	Yes ⁅
Sinaloa	PAN	No	1	No	No	Yes
Sonora	PAN	No	0	No	No	No
Tabasco	PRI	No	2	No	Yes	Yes
Tamaulipas	PRI	Yes	2	No	Yes	Yes
Tlaxcala	PRI	No	2	Yes	No	Yes
Veracruz	PRI	No**	2	No	Yes	Yes†
Yucatán	PRI	No	1	No	Yes	No
Zacatecas	PRI	Yes	3	Yes	Yes	Yes

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* The previous education minister was member of section 38 from Coahuila. Both the former governor and the current one are brothers . They are close allies of the SNTE. A third brother is the leader of section 38 in the state.

** Although officially did not join the winning coalition in Oaxaca and Veracruz, in practice the leaders of this party called its members to support the eventually winning candidates Javier Duarte (PRI-PVEM) and Gabino Cue (PAN-PRD-PT-Convergencia). The losing candidate in Veracruz was a former collaborator ofthe SNTE's leader Elba Esther Gordillo, but several frictions took place between them and in practice they broke their former political alliance.

† General Director of Elementary Schools

‡ General Director of Teachers' Training Programs

⁅ Both, the Undersecretary of Basic Education and the Director of Elementary Schools are members of the teachers' union.

⁂Both the undersecretary of Basic Education and the Undersecretary of the Federalized Education are members of the teachers' union

One of the main concerns of the union is to keep control of Carrera Magisterial. This program is one of the main sources of additional compensations for teachers in Mexico. Consequently, the union has made sure that at least in 19 states the local coordinator of this program is a member of the SNTE. Finally, there are 21 other undersecretaries or general directors of elementary schools who are also members of the union. Only six states have escaped to the capture pressures of the main education positions in their ministries: Baja California, Durango, State of Mexico, Guerrero, Morelos and Sonora. In three of these cases (Guerrero, Morelos and Sonora) the teachers' party was not part of the electoral winning coalition. In the case of Baja California and State of Mexico several interviews suggest that teachers have received other political posts and the authorities have made sure to provide their sections with generous resources for benefits such as scholarships for teachers' children and additional funds for the teachers' housing program. Furthermore, in the case of the state of Mexico in addition to the SNTE sections, there is a local strong union called Teachers' Union for the Service of the State of Mexico (Sindicato de Maestros al Servicio del Estado de México) which competes strongly for influence over the education sector in the state. The complete list of educational positions under control of the union can be found in the appendix.

In addition to the aforementioned authority positions, the union also has considerable power in all the mixed commissions in charge of determining teachers' benefits and working conditions. Two of the most important commissions are the "comisión mixta de escalafón" (the mixed salary scale commission) and the mixed commissions for evaluation in the program

Carrera Magisterial. This program was the carrot offered by the federal government in 1992 to gain the support of the union for the education reform. The program had the goal to recover the purchasing power of the teachers' salary that between 1980 and 1992 had lost approximately 70 percent of its value (Noriega 1998).

In theory, it is a merit pay program which through a series of evaluations selects the most qualified teachers to become beneficiaries of a complementary salary. This complementary salary is tenured once the teacher enters the program and is also part of the pension benefits when the teacher retires (OECD 2010; Barrera 2011). The program is voluntary for public teachers from pre-school to lower secondary levels, principals and school supervisors. Currently 771,544 out of the 1435 326 public teaches benefit from Carrera Magisterial.[5] The program considers five salary categories: A to E. Upon achieving each level of promotion, a teacher must wait a certain number of years before applying to another one. The returns for promotion are significant and permanent. A teacher who has achieved the first level receives 24.5 percent more than the base wage for teachers. One who has reached the top level receives nearly 300 percent of the base wage. (McEwan and Santibañez 2005; Otiz Jiménez 2003). Most of the teachers in Carrera Magisterial are in the first level (around 60 percent of those in Carrera Magisterial) and 85 percent are at the bottom two levels (Hecock 2007).

[5] http://www.sep.gob.mx/work/models/sep1/Resource/1282/1/images/AE_NACIONAL_19.pdf and Barrera 2011.

In order to enter the program or to move up in the salaries categories, the teacher has to enter an evaluation system with different factors under review. One of these factors includes a direct evaluation of a committee on which the principal of the school is the chair. This evaluation process strengthens considerably the control mechanisms of the principal over the teachers of her school. As directors are selected by loyalty criteria to the union rather than through an open contest, the discipline on the ranks is reinforced through this institutional framework.

In both types of mixed commissions –the scale commission and the evaluation commission for Carrera Magisterial- the union has half of the members. The other half is formed by authorities from the state educational ministries or by authorities from the federal ministry of education in the case of the national commission. Nevertheless, it is frequently the case that the representatives from the authority side are also members of the union.

There are multiple accusations of corruption and clientelistic practices in Carrera Magisterial. Both authorities and the teachers' union are involved. In 1998, in the middle of a conflict between the section 7 and the PRI governor Roberto Albores, the teachers' union leader Ancheyta Bringas denounced that in the Unidad Administrativa de los Servicios Educativos para Chiapas (the unit of the state education ministry in charge of the administration of the subnational teachers), authorities had been selling the authorizations for climbing in the salaries' scale of Carrera Magisterial. Moreover, he presented evidence that more than 50 teachers had

continued receiving their salaries despite working in political activities. For example, the local PRI congressman Antonio Merida Mayorga, chair of the Education Committee had continued receiving his monthly salary between 1995 and 1998 regardless of the fact that he had not taught at all and was receiving his salary as a legislator (Pensamiento and Maldonado 1998).

The stories of teachers reporting they have been asked for payments to have access to a copy of the exam, so they can study it and guarantee the best grade possible, are not uncommon.[6] Even the state directors of the program have incurred in practices of self-selection to improve the category to which they belong in the program. This was the case for example in Hidalgo where the chair of the mixed commission gained a promotion to move from principal to supervisor in just five months despite not having the technical requisites for it. To make things worse, during this promotion he was commissioned to the union. Formally the rules of the program precluded him to participate in the contest, but he did and prevailed (Milenio Diario Hidalgo February 29th, 2009).

In an analysis of the teachers' evaluations in Carrera Magisterial, researchers from Rand Corporation found that of the possible ten points that the principal could give to a candidate for the program, the average grade was 9.17 (McEwan and Santibañez 2005; Ornelas 2008). Either

[6] In a series of interviews with elementary school teachers in the State of Mexico and Morelos, the teachers confirmed that there was a lot of corruption in Carrera Magisterial. One teacher pointed out that "if you know the correct people you can buy the exam and increase your chances to enter to Carrera". Another teacher mentioned that she had gained her access because she had studied hard and that she always has prepared correctly her teaching material. However, she recognized that it was important to be in good terms with the school principal. (Confidential interviews April 27 and 28th 2009). All teachers requested to be anonymous because of fear that they could suffer negative consequences from their union leaders.

all teachers are excellent in their teaching duties at schools or the mechanism is not effective for its purpose of evaluating the quality of teaching.

The union has control over the teaching posts of all the teachers who retire for age or for early retirement because of medical conditions. These positions are known as "plazas magisteriales". This control has allowed the SNTE to exercise favoritism in hiring teachers. This discretion helps explain the 46 percent failure rate among 268,849 primary-school teachers who voluntarily took a national professional examination in 2007 (1,195,543 initially registered for the test). Moreover, 46 out of 100 teachers do not possess the credentials appropriate for their educational assignments (Martínez 2008).

It has been long known that these teaching posts are up for sale or inheritance (Mary 2004; Hallack and Poisson 2007). Recently when one of the leaders of the section 6 in Colima was questioned regarding the negative consequences of inheriting the posts to teachers' children, he openly said "other unions do the same and we have the right to secure the future of our children" (Flores, 2012). These words so far have not had any legal consequence.

The union controls where teachers are located. If dissidents insist not to maintain discipline they can be transferred to rural communities (in the case of teachers in urban settings) or to a neighborhood farther away from the teachers' home. In case a teacher disagrees with the behavior of the SNTE's leaders and tries to defy the status quo, he can be sure to suffer the consequences. This was the case of Jesús Rodríguez, a teacher with 44 years of service. Tired

of the corruption practices in Hidalgo he denounced the illicit enrichment of the general secretary of section 15 and the selling practices for teaching posts for about 40 000 pesos each (3200 dollars per post). He showed documents of different properties acquired by the last three leaders of this section. He was fired. The authorities promised an investigation but little progress was made (Del Valle, December 12th 2011).

The capture of the educational structures expanded immediately after the decentralization of education. The exchange of teaching posts is seen as route to reach peace in the streets and avoid disruptive actions by the teachers. But this "peace" never arrives for a long time in radical cases such as Oaxaca. In this state, the signature of the National Agreement for Improving Basic Education and Teachers' Training Colleges (ANMEB) was made at the end of the term of Governor Heladio Ramirez. He wanted to make sure there was not any major problem in the state when the subnational elections took place. The section 22 took advantage of this political need and demanded the governor an agreement so they could control key positions in the new State Institute for Public Education. Heladio Ramírez yielded to the political pressure and signed an agreement with the union which guaranteed the teachers the control over five key educational positions:

1. The director of elementary schools.
2. The director of sports activities.
3. The director for indigenous education.
4. The director for pre-primary education.

5. The director for grown up education.

With the next governor, Diódoro Carrasco, the union section also demanded that the director of Carrera Magisterial would be a person authorized by the teachers' union and that they were guaranteed control over the new teaching posts. In theory when these new posts are approved, 50 percent of the candidates for them are proposed by the authorities and 50 percent by the union. In practice, given the capture strategy of section 22 over the educational structure, the union has controlled most new teaching posts approved in Oaxaca.

Despite the control over key positions in the education ministries, the section constantly uses protests and marches to deepen the pressure over the state government. In the case of the administration of governor José Murat (1998-2004), after multiple protests and marches that lasted several weeks, the teachers forced him to fire his education minister because he was considered not a legitimate interlocutor for section 22. Particularly candid, in a report from the State Education Institute of Oaxaca (IEEPO) at the end of Murat's term the authorities recognized: "one of the critical points in the public education of Oaxaca, particularly for pre-primary, primary and lower secondary, is related to the school year. So far in the state, particularly in the rural areas, what is known by education specialists as "normal education", it has not been possible to achieve a complete school year… This is still a project in the making" (Instituto Estatal de Educación Pública de Oaxaca 2004).[7] The leaders of section 22 understand

[7] For the last 28 years there has not been any complete school year in Oaxaca. During this period there have been marches, protests, strikes, etc. which have interrupted the regular school calendar.

correctly the practices of control used by his colleagues in the SNTE. In order to make sure that teachers go their protests, they provide them with a document that verifies their participation in the protests. These documents called "constancias de participación" (participation certifcates) provide points for teachers to allow them access to mortgage loans provided by the union. These points are useful also to be considered in the evaluations for moving up in the bureaucratic ladder, for the evaluations in Carrera Magisterial, for making possible the changes in the school they teach from rural settings to urban centers and in order to be capable of being considered for the positions that the union controls inside the state education institute. As a result the protests carried out by section 22 have usually the largest number of participants.

Moreover, the teachers' union has gained privileges overtime which they make sure can help them to make more attractive the SNTE's membership and discourage teachers' temptation to form an independent union. These exclusive benefits increase discipline, loyalty and membership among teachers. For example, in Nuevo León the section 50 managed to establish a complementary system to Carrera Magisterial which was financed through the educational transfers from the federal government. This system was designed to provide economic payments to teachers that had not been able to enter to Carrera Magisterial. In 1996, the secretary general from this section, Alberto Gómez Villegas took advantage of several mobilizations in Nuevo León in order to establish a special requirement for being eligible to enter the aforementioned program. The requirement established that in the case of teachers in lower secondary schools who had not studied in the teachers' training college –even if they had a university degree- they

had to study an additional undergraduate degree for teaching in primary schools. The union has traditionally controlled the teachers' training colleges so this special requirement ensured the exclusion of potential competitors to the union's structure.

When the PAN won the governorship in 1997 there were some attempts to change this situation but once again the efforts were derailed. The governor Fernando Canales Clariond appointed José Martínez González, a lawyer, as the new education minister. He had the duty to recover the allocation of teaching positions and make effective the rule that established 50 percent of the posts assigned by the state and 50 percent by the SNTE. Further, he had instructions to consolidate the educational system in one single unit with the teachers who had been transferred from the federal schools and the teachers from the original state system into one large new state system. The teachers' union sections opposed these proposals and demanded that the secretary of education should be a person close to them.

In 1999 the union's sections demanded that the new teachers' positions should be allocated to students who graduated from the teachers' training colleges and to those candidates whose parents were teachers! They boycotted an attempt by the state government to establish a selection process based on a merit based exam. In January 2003, months before his term finished, Canales Clariond was invited by President Fox to participate in his cabinet. In July the PAN lost the governorship and the PRI recovered power with the electoral support of the union. When José Natividad González Parás took power he honored a campaign compromise with the

teachers' union and named Yolanda Blanco García as education minister. She was a retired teacher who had the recognition of her former fellows. Several positions in the education minister were allocated to the union sections. To consolidate the alliance with the union, three years later the former federal education minister and close ally of the general secretary of SNTE, Reyes Tamez, was named the new state education minister.[8]

In order to consolidate its structure, the SNTE has used the so called "*comisionados*", the commissioned teachers mentioned above. These teachers should not receive their salary if they go and work for the union. Nevertheless, as it has been pointed out, this rule has not been observed. During the last three years, there has been a growing scandal in the public opinion regarding these "*comisionados"*. As I mentioned previously, they are suspected to form part of the electoral structure of PANAL and although their permits are authorized by the state education authorities, their salaries have been paid mostly with federal funds. There are also "*comisionados*" financed by subnational budgets, but they are quite a smaller number.

In 2007 the Senate approved a motion to require the federal education ministry (Secretraría de Educación Pública - SEP) to provide detailed information of the number of people commissioned for the union. The SEP could not provide immediately the information given that as a result of the decentralization of the education, the labor relationship with the teachers and the register of all teachers are under the control of the 31 states. The SEP requested the

[8] Reyes Tamez would be named leader of the legislative group of the teachers' party (PANAL) in 2009.

information to the subnational education authorities. Several months passed and the information was incomplete. Congress tried to increase the pressure and established a special article in the federal budget to require the states to provide a report every three months on how they have used the federal transfers for basic education and teachers' training colleges (FAEB) and to give detailed information of the commissioned teachers. According to the last report released by the SEP there are 10,278 commissioned teachers from which 5 145 teachers work for the SNTE. The union has defended its right to have these commissioned teachers. In a press statement the SNTE established its official position: "its number has been reduced, even when this is a legal and legitimate right of this organization" (Poy 2010). When asked about this topic, Elba Esther Gordillo answered "if you calculate the numbers, the commissioned teachers as a percentage (from the total number of public teachers) is not so alarming" (Nieves, 2010).

Several of these commissioned teachers perform political activities. For example in Zacatecas the local congressman from the teachers' party, Felipe Ramirez, received his salary as teacher even as he was campaigning for congress. Similarly, the PRI congressman Juan Carlos Lozano received his teacher's salary in addition to his congressional compensation (El Universal July 4th, 2010).

The accuracy of the information about the "comisionados" presented by the states is questionable given all the organizational characteristics of the SNTE and its influence over the state systems. For example, as it can be seen in table 6.4 Durango, Michoacán and Zacatecas

reported to have no commissioned teachers working for the union. Oaxaca recognized only 31 teachers as comisionados for the SNTE. In the last three cases, the teachers' union sections have being particularly disruptive by constantly undertaking several protests and marches every year. In the case of Michoacan and Oaxaca they have been able to block the implementation of the standardized national tests known as ENLACE. Under these conditions it is hard to believe that the reported figures are correct. But once again, as a result of the way education was decentralized in Mexico neither the Congress nor the federal authorities have the institutional powers to conduct exhaustive audits of this information. These potential audits could be developed by the local legislatures, but so far their legislators have not dared to exercise their oversight constitutional powers to verify how educational budgets are used in their states. Given that the commissioned teachers are paid mostly with federal funds, the incentives for being more active in these oversight activities fade away. Taking into consideration that the labor relationship with teachers is a subnational prerogative, the federal authorities do not have the technical means to gather additional information to verify the veracity of the subnational reports. The final result is clear. The big winner once again of this institutional arrangement is the teachers' union.

Precisely one of the key advantages of the union is its control over information. For some cases, the institutional arrangement of decentralization can be beneficial for both the union and the subnational authorities. For example, as explained in the previous chapters, in the new formula for the allocation of the federal educational transfers the law establishes that one of the

criteria used in the distribution is the total number of students in public schools in each state. This information is gathered through questionnaires that the principal in each school sends to the state education authorities. Given that in some cases, schools have two school journeys –one in the mornings and one in the nights- the principal needs to justify that these double turns continue operating. This double journey implies more teachers and teaching hours. The principal has incentives to keep this double turn. Therefore, it is common practice that the principal misreports the number of students in his school –double counting the students- so he can justify the demand for the double turn. The subnational authorities suspect that several of these statistical reports are incorrect but are not keen in finding a way to find the adequate information because the federal funds will increase if they report a larger amount of students in the states. The control over the education structure is in this case of mutual benefit for the union and the subnational authorities.[9]

[9] Interview with an authority in the Federal Education Ministry. An observable implication of this argument is that the enrollment figures by grade in the basic education are frequently higher than 100 percent.

Table 6.5 Commissioned Teachers in Mexican states (2011)

State	Total number of commissioned teachers		Working for SNTE	With teaching responsibilities	Working with direction responsibilities	Working with administratitive duties	With no detailed assigment
	Number	Percentage	Number	Number	Number	Number	Number
Aguascalientes	54	0.50%	0	0	6	39	9
Baja California	170	1.70%	170	0	0	0	0
Baja California Sur	65	0.60%	65	0	0	0	0
Campeche	88	0.90%	88	0	0	0	0
Chiapas	644	6.30%	226	289	119	10	0
Chihuahua	1,696	16.50%	264	111	195	1126	0
Coahuila	241	2.30%	227	0	4	10	0
Colima	99	1.00%	90	0	2	6	1
Distrito Federal	655	6.40%	0	40	0	288	327
Durango*	0	0.00%	0	0	0	0	0
Guanajuato	235	2.30%	185	26	1	22	1
Guerrero	199	1.90%	199	0	0	0	0
Hidalgo	439	4.30%	439	0	0	0	0
Jalisco	487	4.70%	487	0	0	0	0
México	486	4.70%	486	0	0	0	0
Michoacán	20	0.20%	0	0	0	20	0
Morelos	183	1.80%	181	0	0	2	0
Nayarit	97	0.90%	60	0	1	0	36
Nuevo León	1001	9.70%	314	1	139	547	0
Oaxaca	31	0.30%	31	0	0	0	0
Puebla	476	4.60%	475	0	0	1	0
Querétaro	133	1.30%	133	0	0	0	0
Quintana Roo	124	1.20%	74	35	7	7	1
San Luis Potosí	269	2.60%	187	0	5	77	0
Sinaloa	60	0.60%	45	1	1	13	0
Sonora	137	1.30%	8	0	17	109	3
Tabasco	1,312	12.80%	27	370	538	376	1
Tamaulipas	262	2.50%	197	0	0	65	0
Tlaxcala	138	1.30%	109	0	3	24	2
Veracruz	350	3.40%	258	0	0	92	0
Yucatán	70	0.70%	67	0	2	1	0
Zacatecas	57	0.60%	0	0	0	26	31
	10,278	100%	5092	873	1040	2861	412

Based on SEP 2011
http://cumplimientopef.sep.gob.mx/content/pdf/informes_presentados/Comisionados_Resumen.pdf

*Durango reported there were no teachers under commision for the SNTE.

Finally, to consolidate its control over teachers, when its influence has allowed it, the union makes sure to modify the education regulations to maintain discipline among its members. This is the case of San Luis Potosi where during the PAN administration of Marcelo de los Santos (2003 – 2009) the rules for the scale salaries changed in favor of the union's leadership. The new rules established a points system, on which in addition to the students' performance, teachers are evaluated by the principal of the school where they teach. Points are assigned by teachers' punctuality and participation in the union's meetings (Secretaría de Educación de San Luis Potosí and Sección 26 SNTE, March 2008 see http://www.snte26.org.mx/documentos/escalafon/lineamientos_prom.pdf and *Proceso 2006*). Articles 34 to 36 explain the characteristics of the evaluations for participation in the union's meetings: This evaluation is made only by the union section authorities who will consider "teachers' punctuality, permanence and participation in the union's delegation meetings; their participation in all events organized by the union and *the fulfillment of its agreements*". In sum, both institutionally and legally the union's control of the school system has consolidated in San Luis Potosi.

6.4. Diversifying strategies. The benefits of the SNTE membership

At the core of the diversification of the union's strategies are benefits and salaries. If teachers take their demands to the streets, if they use they collective action capacity to gain political representation, and if they have pressured subnational and federal authorities to obtain authority positions in the education ministries it is with one main goal in mind: achieve economic benefits and better working conditions for their members.

Strictly from the point of view of the union members, although transparency is absent and corruption is a constant, the overall balance is far from being negative when the union's benefits and salaries are considered. Regularly a Mexican worker in the formal sector receives his 30 monthly payment (30 days) and the annual right for a Christmas bonus equivalent to the payment of 15 working days. In total these workers receive 380 days of payment. In contrast, the high Mexican bureaucracy of the federal government usually receives 30 days for Christmas bonus while workers from Congress and the Senate receive 45 days. These benefits are generous compared to the average benefits received by workers in the private sector. In the case of the education sector, it has been argued that teachers from Mexican public schools have bad salaries. Undoubtedly there are several teachers that face difficult economic working conditions. According to an analysis of the elementary and high schools in 2007, at least 44 percent of them had problems with their infrastructure, 49 percent had deteriorated or non-existent bathrooms and 55 percent of the blackboards, desks and chairs needed replacement (*Milenio* July 2th,

2011). But these infrastructure problems contrast with the millions allocated in the teachers' negotiations at both government levels and the list of benefits provided to members of the teachers' union.

A teacher from a public elementary school in Mexico starts working around 7.30 in the morning and finishes her school day five hours later. Then she has to allocate time to prepare the class lessons and review the teaching material. For a work day of approximately 8 hours a Mexican teacher in an elementary school received in 2011 306 pesos per day. But then, it is necessary to consider the benefits that the national committee negotiated first for all teachers and then the complementary compensations achieved by the local sections from state sources. As it can be seen on table 6.6, the picture from a bad paid teacher in Mexico is far from reality. On average the Mexican teachers are paid 513.6 salary days while the effective number of teaching days is around 200.

Table 6.6 Teachers' Salaries in Mexican states (2011)

State	Total number of paid days	Total additional monetary payments (pesos)	Total additional monetary payments (dollars)	Elementary school teacher's salary per day without benefits in 2011	Equivalent of economic benefits in terms of paid days	Total number of paid days including economic benefits	Total payment in pesos	Total payment in dollars
Yucatan	426	$36,240.08	$2,626.09	$306.09	118.40	544.40	$166,634.42	$12,074.96
Morelos	464	$23,561.50	$1,707.36	$306.09	76.98	540.98	$165,587.26	$11,999.08
Aguascalientes	502	$10,006.50	$725.00	$306.09	32.69	534.69	$163,663.68	$11,859.69
Tamaulipas	482	$15,989.40	$1,158.65	$306.09	52.24	534.24	$163,524.78	$11,849.62
Mexico	498	$10,933.40	$792.28	$306.09	35.72	533.72	$163,366.22	$11,838.13
Tlaxcala	478	$16,905.60	$1,225.04	$306.09	55.23	533.23	$163,216.62	$11,827.29
Chihuahua	503	$8,159.30	$591.25	$306.09	26.66	529.66	$162,122.57	$11,748.01
Veracruz	490	$11,915.90	$863.47	$306.09	38.93	528.93	$161,900.00	$11,731.88
Queretaro*	471	$17,130.80	$1,241.36	$306.09	55.97	526.97	$161,299.19	$11,688.35
Oaxaca	478	$14,780.40	$1,071.04	$306.09	48.29	526.29	$161,091.42	$11,673.29
Tabasco**	495.5	$8,478.50	$614.38	$306.09	27.70	523.20	$160,146.10	$11,604.79
Zacatecas	481.42	$12,388.08	$897.69	$306.09	40.47	521.89	$159,745.93	$11,575.79
Coahuila	465	$17,370.20	$1,258.70	$306.09	56.75	521.75	$159,702.05	$11,572.61
Colima	477.1	$13,567.50	$983.10	$306.09	44.33	521.43	$159,603.04	$11,565.44
San Luis Potosi	479	$11,509.00	$833.99	$306.09	37.60	516.60	$158,126.11	$11,458.41
National average	469.87	$13,393.52	$970.53	$306.09	43.76	513.62	$157,215.35	$11,392.42
Nuevo Leon	495	$5,498.90	$398.47	$306.09	17.96	512.96	$157,013.45	$11,377.79
Nayarit	470.63	$12,832.60	$929.90	$306.09	41.92	512.55	$156,887.74	$11,368.68
Guanajuato	470.5	$12,357.30	$895.46	$306.09	40.37	510.87	$156,372.65	$11,331.35
Michoacan	444	$19,269.40	$1,396.33	$306.09	62.95	506.95	$155,173.36	$11,244.45
Quintana Roo***	443	$18,954.50	$1,373.51	$306.09	61.92	504.92	$154,552.37	$11,199.45
Hidalgo	460	$13,587.90	$984.63	$306.09	44.39	504.39	$154,389.30	$11,187.63
Baja California	467	$11,327.20	$820.80	$306.09	37.01	504.01	$154,271.23	$11,179.07
Baja California Sur	467.1	$11,068.80	$802.10	$306.09	36.16	503.26	$154,043.44	$11,162.57
Jaslisco	459.52	$13,129.36	$951.40	$306.09	42.89	502.41	$153,783.84	$11,143.76
Guerrero	460	$11,575.00	$838.77	$306.09	37.82	497.82	$152,376.40	$11,041.77
Sinaloa	458	$11,866.42	$859.89	$306.09	38.77	496.77	$152,055.64	$11,018.52
Distrito Federal	460	$10,841.50	$785.62	$306.09	35.42	495.42	$151,642.90	$10,988.62
Durango	451	$12,824.20	$929.29	$306.09	41.90	492.90	$150,870.79	$10,932.67
Chiapas	470	$6,514.80	$472.00	$306.09	21.28	491.28	$150,377.10	$10,896.89
Puebla	456	$10,312.34	$747.27	$306.09	33.69	489.69	$149,889.38	$10,861.55
Sonora	448	$12,146.10	$880.15	$306.09	39.68	487.68	$149,274.42	$10,816.99
Campeche	466	$5,550.00	$402.10	$306.09	18.13	484.13	$148,187.94	$10,738.26

Source: Own calculations with information from confidential interviews and review of several local newspapers (2008 - 2012).

*The government of Queretaro denied a request of the teachers' benefits through the state transparency information access institute. The authorities argued that this information is reserved.

** After several days of protests from the Independent Union of the State Education Workers from Tabasco (SITET), the secretary of education Rosa Beatriz Luque accepted that the state government would pay the payroll taxes corresponding to the Christmas bonus (aguinaldo).

***The teachers from the teachers' union section in the state (section 25) are the only ones that receive a special compensation known as yearly compensation for an expensive life. Teachers from the Independent Union of the State Education Workers from Quintana Roo are excluded from this payment.

The power of the union sections to use effectively their portfolios of strategies has produced benefits for all teachers. Nevertheless, some of them have had the strength and capacity to extract more privileges than others. Subnational authorities have reacted differently

to the union pressures, but all of them despite their recurrent complaints about the double salary negotiation with the union, have finished pandering to several of the demands from the state teachers' union sections.

The criticisms on the use of the educational resources by the leadership of the union have intensified during the last ten years as Mexico's young democracy is struggling to consolidate. The growing number of press reports and congressional hearings focused on bringing more transparency in the use of the educational funds has begun to shed light on several of the corruption practices and privileges that accompany the way the teachers' union has controlled the education system.

An overview of the different benefits such as the teachers' day bonus, the annual compensation (in addition to the Christmas bonus), economic support for teachers' children school supplies, a bonus for the end of the government period (known as bono sexenal), the support of complementary insurance to pay for orthopedic materials and eye laser surgeries, and a myriad of special bonuses labeled with obscure names such as "servicios cocurriculares", adjustment for school calendar, punctuality bonus, etc.) reveal how the union has been effective delivering the selective incentives that keep discipline but also loyalty among the ranks in the union. As one of the main advisers of the teachers' union leader pointed out in an interview "nobody understands that we are a union and that from that point of view what we care is about the benefits for our members… The SNTE has more than delivered. The state of the education is

not our responsibility; it is the governments' responsibility to which we are happily willing to help. But our main duty is with the workers of the education system and we have been successful on that front" (confidential interview in Mexico City November 28th 2007).

Some union sections have been more successful than others in making their demands served. After standardizing all the benefits and convert them in terms of paid working days, the teachers on Yucatán (544.4) and Morelos (540.98) are the teachers who receive the largest number of paid days. In contrast, the teachers in Puebla (489.69), Sonora (487.68), and Campeche (484.13) are at the bottom of the scale in the number of paid days but still receive a number of paid days larger than the average worker in the formal sector in Mexico. Furthermore, several union sections have been able to get from the state authorities tax exemptions for their Christmas and teachers' day bonuses (e.g. Guanajuato and Tabasco).

Unfortunately there is no systematic information on how all the benefits have evolved over time.[10] However, in the process of gathering this information, it was possible to detect evidence suggesting that the aforementioned strategies –protest, influence elections, and capture of the education bureaucracy- have had a positive impact on getting these benefits. A simple

[10] The information presented in table 6.5 and in the tables on the appendix with an overview of the main benefits of the teachers by state was collected through an exhaustive review of more than 45 local newspapers and magazines for the period 1992 - 2011 and complemented with multiple confidential interviews with members of the SNTE, and federal and state education authorities. Multiple formal requests through the free information laws were done in eight states through their institutes of access information. Only Puebla and Chihuahua provided the information. The authorities from Querétaro, Quintana Roo, and State of Mexico answered that the information was reserved and classified for nine years. In a similar effort, Sonia del Valle, the chief reporter in charge of the education bureau in the influential newspaper *Reforma*, confirms that she requested the same information to fourteen states with similar results (Interview with Sonia del Valle July 20th, 2010).

correlation between the accumulated number of protests and the number of paid days suggest that part of these better economic conditions are linked to disruptive strategies. This finding is consistent with the overall empirical evidence of the effect of teachers' protests on federal and subnational funds for education. However, the correlation is, although positive, really small (0.0014) and not statistically significant. It is necessary to consider that many of the additional funds received by the union sections are for multiple programs not listed in the benefits presented in the tables. These are funds for the teachers' housing program, for Carrera Magisterial, for programs to improve literacy and reading capacities, funds for special recognitions for the oldest teachers, scholarships for teachers to study abroad, etc. In addition there are also funds that have been included that hardly can be seen as a tool to benefit education such as resources for improving the union sections' buildings, for carrying out special SNTE's celebrations, etc.

There are some independent state education unions such as in Veracruz, the State of Mexico, Puebla, Tabasco and Quintana Roo. Some of them are as influential in their state education ministries as their counterparts from the SNTE given their size and long history representing state teachers. This is the case in Veracruz and the State of Mexico. When there have been some political attempts to create union alternatives such as the Sindicato Independiente de los Trabajadores de la Educación en Quintana Roo (Siteqroo), the union sections make sure to pressure the subnational authorities so that in the salaries negotiations the economic benefits agreed with them are exclusive for the members of the SNTE. In Quintana

Roo, the section 25 has negotiated exclusive scholarships for teachers' children as well as the tax exemption for the Christmas bonus. While in 2008 the Siteqroo had emerged with 1080 members, three years later it had half of them. The leader of section 25 pointed out how once again the selective incentives in hands of the SNTE could be an attractive carrot to maintain discipline and increase membership in this organization: "it is not the same to be under the uncertainty that the other union provides and be a teacher wondering if you will receive certain benefits or not that the SNTE has gained from the authorities. At the end, the certainty that our section provides influences the decision of many of our fellow teachers" (El Cuarto Poder August 4th, 2011).

The scandals of corruption in the use of educational funds seem to have no end. Most of them have focused on Elba Esther Gordillo who, as a commissioned teacher herself in the State of Mexico, has been able to buy multiple properties in Mexico and abroad. It is a widely well-known fact that la maestra has a mansion in Coronado, in one of the most exclusive neighborhoods in San Diego and multiple residences in Polanco, Las Lomas and Santa Fe, the most expensive residential zones in Mexico City (Raphael 2008).[11] She makes sure to be generous with her colleagues. With an excellent understanding of the effectiveness of the logic of selective incentives she has provided considerable economic benefits to the leaders of the 59

[11] Among Gordillo's properties there are at least four apartments and six houses in the exclusive Lomas de Chapultepec and Polanco neighborhoods of Mexico City, valued at $6.8 million (68 million pesos); property in the deluxe Coronado Cays development in San Diego, California, where her yacht is moored; properties in France, England, and Argentina; private jets; and "a personal fortune … [of more] than $300 million in cash," according to Noé Rivera, a longtime key operative.

union sections. For example, in 2006 *Reforma* documented that 50 union leaders and their families enjoyed a trip in a cruise to Hawaii. Members such as the former leader of section 21 of Nuevo Leon (Jorge Santiago Alanís), the former secretary of section 36 from the State of Mexico and other members of the central committee of the SNTE from different states such as Zacatecas, Yucatán, Sonora and Sinaloa were also beneficiaries of this union's prerogatives (López 2006).

In the middle of the negotiations of the Alliance for Education (the education reform implemented by President Calderón), several protests erupted around the country to oppose measures to make open contests for new teaching posts, change the evaluation system for Carrera Magisterial, and establish a new evaluation system for all teachers in the country. Gordillo used once again selective incentives to secure her leadership and consolidate the loyalty of the leaders in the state sections. *La maestra* decided to give away 59 Hummer trucks to the leaders. The scandal erupted as the press was able to document this gift. Gordillo and the rest of the section leaders were forced to organize a series of raffles for these trucks and argued that the funds would be used to improve the educational infrastructure. Nobody was made accountable and neither the federal nor the subnational authorities conducted an investigation to see if educational resources had been misused for the failed bribery attempt to the section leaders.

The accumulation of the teacher's union wealth is overwhelming. In the long list of properties, the union has forty hotels throughout the country, several convention centers such as the one located in Portal del Sol in Santa Fe (one of the most exclusive zones in Mexico City).

In Coahuila, for example, the section 51 of Nuevo Leon has a vacation center called "The Teachers' Paradise" with more than 20 cabins for the exclusive use of teachers and their families. (Martínez 2009). Both the "institutional" members of the SNTE as well as the dissidents of the CNTE have benefited from this kind of privileges. In Oaxaca during the salary negotiations between the state government and the members of the section 22, and after more than 170 days of a general strike in 2006, the governor Ulises Ruiz authorized the resources for buying a hotel in Huatulco. This is one of the main Mexican resorts. The union had requested this hotel because according to them it was necessary to have an alternative headquarter complementary to the other hotel that they have in the city of Oaxaca (Martínez 2009).[12]

The corruption on the education systems is followed by the poor quality of what is taught in the classrooms of Mexican schools. The union constantly denies any responsibility on the poor performance of students in different evaluations.. As it was reviewed in the previous chapter, both the international and national standardized tests reveal that most of the Mexican children have serious deficiencies in their reading and math skills. But as the teachers' union adviser quoted above suggests, the union constantly blames the authority for these poor results. "The authority is to blame, not we… the teachers do their best with the means they have at their disposal" (Ibid). Even when questioned about the corruption practices of Carrera Magisterial, the union leaders also evade any responsibility. "The first sanction should be established against the education ministry because they prepare, keep control and distributes the exams (of Carrera

[12] Similar supports to improve the infrastructure of the union buildings have been provided in Jalisco and Puebla.

Magisterial) in the country". A member of the SNTE's national committee emphatically points out that the "corruption is in the SEP, not in any other place" (Avilés June 20th, 2011). However, as it has been pointed out the authority and the union boundary is constantly blurred, and it can hardly be questioned that the union has not responsibility in these practices. More benefits, more prerogatives, multiple signs of corruption and poor quality results characterize the education system in Mexico. How can this situation continue despite the increasing competitive elections and signs of a more free press? Are other interest groups capable to emulate the influence of the SNTE?

6.5. Beneficial alliances, learning to mobilize for more educational funds: the case of Antorcha Campesina

The mobilizations in the education sector are sometimes carried out by organized groups outside of the education sector that cooperate with organized groups within the sector with the goal that, in exchange of the support toward the disruptive acts carried out by teachers or students, organized groups within the education sector receive economic compensations. Some of these compensations are also related to education services. This is the case of the *Antorcha Campesina,* a radical organization that emerged in 1975 under a Maoist tradition from which it took the defense of the poor as the core of their ideological discourse. *Antorcha Campesina* has used the same disruptive actions carried out by teachers and in some cases has been involved in riots which have caused several deaths. Its radicalism has made governments fearful of its

mobilization capacity. During the presidency of Carlos Salinas, his brother Raúl provided them with several funds from the government program targeted supposedly to the poor called CONASUPO (Compañía Nacional de Subsistencias Populares). The organization then joined officially the PRI. But this that has not precluded them to mobilize against their governments as *Antorcha Campesina's* leaders have considered necessarily. More educational services for the poor have been a recurrent argument in the protests and marches organized by *Antorcha*.

As the teachers' union, *Antorcha* is a national organization with members in all the 31 Mexican states and Mexico City, but Puebla and the State of Mexico are two of their strongest bastions. They have at least 100,000 members around the country. Its leadership claims that it is a much bigger organization with 800,000 followers. Through marches, protests, sit-ins and making use recurrently of violent actions *Antorcha Campesina* has been able to extract generous resources from subnational and federal authorities. For example, between September 2003 and October 2004, the *antorchistas* organized three large demonstrations in Michoacan with 30,000 participants in each act. More than 600 buses from different states arrived to Morelia to pressure the PRD governor Lázaro Cárdenas Batel to concede their economic demands. The *antorchistas* joined the section 18 of SNTE and incorporated into their discourse the demand for more "plazas docentes" (teaching posts). The protests paralyzed the city. Hundreds of small business had economic losses. The state police forces tried to control the marches and several violent clashes took place in Morelia. At the end, the Cárdenas administration pandered to the antorchistas-SNTE's demands. The government gave 1625 terrains in the municipalities of Lázaro Cárdenas,

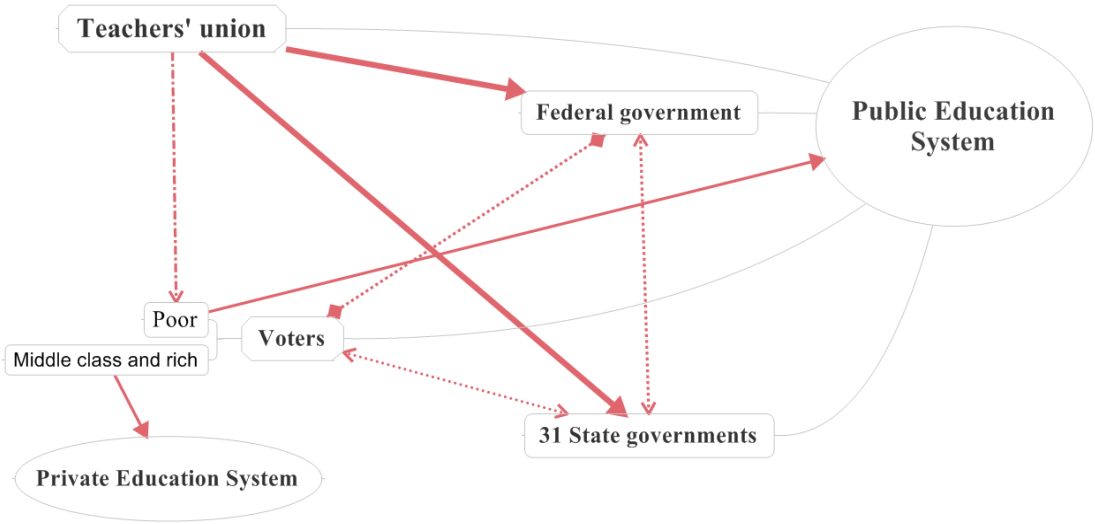
Ciudad Hidalgo, Uruapan and Tarimbaro. The *antorchista* teachers got 22 plazas and the section 18 a complementary increase for teachers' salaries (García, 2004).

According to the Public Security Secretary of Mexico City just between 2010 and 2011, *Antorcha Campesina* carried out 394 protests in Mexico City with the participation of approximately 576 000 individuals (Alvarado 2011). Among the resources that make possible this type of protests are the actions by teachers who are members of this organization. In a recent television report, viewers had a flavor of this mobilization capacity. *Antorcha Campesina* controls the upper secondary school Lázaro Cárdenas, located in the community of Nexquipayac in the municipality of San Salvador Atenco in the State of Mexico. This is one of the 500 schools –from public kindergartens to upper secondary schools- under control of this organization in the State of Mexico and Puebla. In this school, Gabriel, a high school student, described how he and his classmates are forced to be part of the demonstrations carried out by the *antorchistas*. "The teacher comes and tells us: There will be a protest, you know that you need to be ready, you have to go". Gabriel explained that if a student refuses to take part of the public demonstration then he can be punished by his teacher. "You just simply are expelled or you can easily fail at least three courses". On average, according to Gabriel there are 12 protests per semester, from which students have to go to at least 8. But the leader of Antorcha, Áquiles Córdova does not hesitate when incorporating students as part of his organization. "To put together students with the people is to put together the strength with the intelligence… therefore it is necessary that students participate in our movement" (Monterroso and Mandujano March

8th, 2012). The cry of battle of the *antorchistas*, similar to the dissident teachers movement CNTE's battle choir, is eloquent: "Se ve, se siente, Antorcha está presente" (you can see it, you can feel it, Antorcha is here".

6.6. The politics behind the poor quality education in Mexico

How is it possible that an educational system that is producing negative results for Mexico's development has survived the democratization process in detriment of citizens' welfare? How can the extensive series of corruption practices and clientelism in the education sector continue despite multiple scandals in the press and several condemnations from all the political parties in Mexico?



Incomplete information between the actors

Relationship between the actors

Figure 6.1 Political Relationships in the Mexican Education System

To answer this puzzle it is necessary to bring together the institutional frameworks of both the political and education systems in order to have a fully comprehension of this negative equilibrium for Mexico's development. There are two institutional arrangements in the Mexican political system which erode the capacity of elections as vehicles of effective accountability and as paths to incentivize the provision of good policies: the prohibition of immediate reelection and a fiscal federalism highly dependent on federal transfers. As it can be seen in figure 6.1.

several characteristics of the governance structure of the education system are inimical for the provision of high quality education in Mexico.

1) As it has been pointed out Mexico has a strict term limit rule.[13] Mexico's prohibition of consecutive reelection is universal and strictly observed. When reelection is forbidden, then holding representatives directly accountable for their behavior in office is practically impossible. The time horizon of politicians then reduces considerably. In contrast, if implemented, the potential benefits of an education reform could be observable only in the long run which is too late for politicians interested in jumping to another political post to continue their careers. The possibility of campaigning with the achievements of a successful education reform is limited.

2) Previously it has been pointed out that the Mexican federalism is highly dependent on federal transfers. The comparative literature has shown a strong association between high levels of transfers with bad macroeconomic outcomes and negative policy results. Subnational units that are highly dependent on transfers from the central government generally have worse fiscal records than subnational governments who have to raise their own revenue (Rodden 2002). In addition, high dependence on transfers reduces the ability of the national government to impose hard-budget constraints, leaving open the possibility for subnational overspending and debt (Rodden et al 2002). This creates a system of perverse incentives where local level politicians can attempt to transfer blame to politicians at the center, thus leading to higher deficits and even

[13] Only Costa Rica has the same prohibition for immediate reelection in Latin America.

higher discretionary spending. Even more, the interaction between high transfer dependency and political decentralization is associated with higher budget deficits (Fernandez et al. 2005). In consequence, given these institutional characteristics of Mexico's federalism, subnational authorities such as governors Alfonso Anaya in Tlaxcala or Amalia García in Zacatecas have recurrently used the blaming strategy to pressure federal authorities for larger transfers and elude their responsibility over the results of their state educational systems. Governors under these institutional characteristics follow as a successful strategy the route to pressure federal governments to get additional federal grants without having to pay a direct electoral political cost with their constituencies.

3) The increasing competitiveness in the Mexican political system has brought both vertical and horizontal divided governments into play. Given the shared responsibilities on education, an efficient operation would require an adequate coordination between the different levels of government. However, as partisanship harmony disappears between these governments, the margins of cooperation and mutual trust between them shrink. The double salary negotiation that emerged as a consequence of the 1992 reform has played in favor of the union.

The central committee of the SNTE coordinates with its sections for carrying out the negotiations of salaries and benefits. Even in situations where union dissidents are strong such as in Oaxaca or Michoacán, the cooperation between teachers is possible because all of them

have a common preference for larger benefits and more generous wages. The union has complete information of what has been negotiated with the federal and subnational authorities. However, the elected officials from both levels of government, especially when they belong to different political parties, have incomplete information of what each part has agreed with the union and do not completely trust each other. Even more favorable to the union's interests is the fact that, among the education authorities who are not members of the union, there is a high turnover of federal and state education authorities.[14] In contrast, the members of the SNTE who have captured the education ministries and their negotiators in the bilateral commissions which determine several key aspects of the education system (such as the mixed commissions previously described), have longer experiences in the education sector. As a result, they are better equipped to make their interests prevail in all these negotiation processes.

4) In addition to the fiscal federalism highly dependent on federal transfers, shared responsibilities over education, have led to an incomplete decentralization of education services in Mexico. Although subnational authorities are in charge of the administration of the education services in the basic level and in teachers training colleges, the federal authorities continue controlling key aspects of the operation in the system. The federal government for example has the last word regarding the content of the textbooks, defines the terms of teachers' evaluations and the programs to improve their academic formation. Above all, the federal government is still

[14] This situation is similar to other countries in Latin America. See for example Corrales 1999 and 2003.

the main provider of the funds for the education system. Both levels of government have the obligation to provide upper secondary and tertiary education, but the law does not establish the terms for accomplishing this duty.

5) The incomplete decentralization of education was a consequence of the influence of the teachers' union in the political system as well as a product of the federal schizophrenia that did not want to give up all its legal powers in this policy area. The legal ambiguities which accompanied the 1992 reform, especially in the case of educational spending, have undermined the possibility of citizens to have clarity in their evaluations of government's performance on education issues. As it has been shown, citizens have incomplete information on who is in charge of the quality of education services in Mexico. Despite this confusion and regardless of the multiple signs of its bad performance, when asked about their evaluation on the education system, a large number of Mexican citizens are surprisingly satisfied. Finally, as several polls have underscored education is not an issue at the top of citizens' main concerns. Under these circumstances, as it has been pointed out politicians anticipate they are unlikely to receive political benefits from actions to reform the education sector. Consequently, they are likely to focus their efforts in policy actions which could be more visible and from which they could get a credit in the short term.[15]

[15] For a similar view on the conditions that undermine the probability of politicians undertaking policy reforms see Keefer and Khemani 2003.

6) Furthermore, it is necessary to remember that potential constituencies of education reform prefer idiosyncratic pathways to reform rather than a collective one. Most of the users of public education services in Mexico are poor. As it occurs in the majority of Latin American countries, the middle and upper classes in Mexico opt out of the system to attend private schools. According to the national and international standardized tests these private options do not provide much higher quality in their education; however they give their children access to social networks.[16] These connections will be useful in the future professional lives of these kids, as they will allow them access to better paid jobs. Consequently, the members of the middle class are not promoters of an education reform that would reduce their rents from opportunities opened only to them. The result might be negative for the country's development perspectives as not better human capital is available for the productive sector, but is beneficial for the privileged segments with access to private education. As Rajan has suggested in a formal approach to this kind of dynamics "competitive rent preservation ensures the collective reform choice is paralysis and poverty" (Rajan 2007 p.40)

7) In addition to the diluted responsibilities, politicians' short time horizons and the lack of demand for reform, elected officials in both levels of government face a powerful organized group such as the teachers' union. Their cooperation is essential for widening the windows of opportunity to implement an education reform. As it has been shown, the SNTE has

[16] Only a segment of the middle class attends public universities. However, even this participation in public tertiary education is diminishing. During the last decade the number of private universities –several of them of low quality profile- has grown considerably.

periodically used its political muscle to express its voice in the streets and have its interests served, in such a way to make sure that any policy proposal is diluted to avoid its privileges being undermined. This disruptive strategy has allowed them to extract additional economic benefits from both the federal authorities and the subnational governments. By capturing several key positions in the education ministries they control the kind of reforms that could be advanced on the sector and which would not endanger their benefits.

Similarly, the mobilization capacity of this organization can be a potential threat and eventually an attractive political ally. Governors Francisco Barrio in Chihuahua, Lázaro Cárdenas in Michoacán, Marco Antonio Adame in Morelos, Félix González in Quintana Roo or several state executives in Oaxaca have witnessed the capacity of the teachers' sections to disrupt the streets in case they feel threatened by unfavorable policy proposals.

In contrast, as a token of its political power after having finished its official membership with the PRI, the union has been able to form the political party *Nueva Alianza*. As it has been shown, since its creation, between 2006 and 2012 *Nueva Alianza* has participated in 64 local elections. They have joined formally or implicitly eighteen winning coalitions and helped the election of 18 governors and several federal and local congressional seats. In their political alliances they have diversified their risks and have used the electoral needs of the other political parties in order to obtain from them generous political and economic gains. The legislative

representation in both federal and local congresses confirms that SNTE is not a paper tiger, but the most powerful actor in the education sector in Mexico.

8) Finally, teachers have been able to abate the accountability measures in the education system designed to limit its influence over the governance of the education system. Teachers dislike the possibility of school report cards or information regarding teachers' attendance to school. One of the most intense opposition by teachers is against measures that could curtail conquered labor rights such as tenure. They are also the most vocal enemies of merit pay programs that link salaries and promotions to performance (Ladd 1999; Jacob 2005; McEwan and Santibañez 2005). As teachers have lower transaction costs, they are better suited to keep control over public schools. Since 1993, the new education law established the councils of social participation. These councils are school organizations intended to make parents active players in the school life and have had the intention to improve their control over the operation of schools. But as it was shown, there are hundreds of schools on which these collective bodies have not been established despite the legal mandate for their implementation. From the existent councils, there is no information about the quality of their performance. Comparative evidence suggests, precisely given their low transaction costs, the collective bodies such as the aforementioned social councils are likely to be captured by the teachers and school principals who are loyal soldiers to their union (Moe 2011).

In this sense, the high levels of asymmetric information and experience observed in the education system, has played in favor of the teachers' union to advance its interest. Four asymmetries are observed given the previous account of the governance in the education system: a) asymmetries between the government and the teachers' union; b) asymmetries between levels of government; c) asymmetries between the users of public education and teachers, and d) asymmetries between the government and the public.

In a nutshell, the governance of the education system and the institutional framework of the young Mexican democracy have produced a negative equilibrium, which despite the growing available information of the poor quality results on education, has precluded the implementation of an effective reform to remedy its negative consequences for development and citizens' welfare.

6.7. Conclusion

This chapter has shown how the teachers' union has successfully used a portfolio of strategies to achieve better economic benefits and working conditions. The union has constantly used the streets to pressure for additional funds for education. They have been successful and have been able to obtain additional budgets from the federal government and from the state authorities. They complement this strategy by capturing the education structures and by using its mobilization capacity for electoral purposes. In this way the SNTE has consolidated the best benefits of all workers in the public sector in Mexico.

The union has been capable of adapting successfully to the democratization process observed during the last two decades in Mexico and has played the electoral needs of all the major political parties to advance its influence over the political scene and consolidate its control over the education policy.

Other groups such as *Antorcha Campesina* have learned the lessons of using effectively the collective action capacity and have understood how through selective incentives can use protests in the streets to achieve successfully economic benefits. However, the SNTE is by far the most influential actor in the education sector and one of the most powerful groups in Mexican politics.

From the point of view of the union's members, the access to benefits is wide and generous. However, the selective incentives under control of the union impose discipline, lack of transparency and incapacity for those individual teachers who want to escape the control of the SNTE's leaders and disregard their political goals. The margins for action for potential dissenters are severely restricted. From the moment the teachers enter to their posts in the classrooms until they finally retire, all the labor aspects of their lives are influenced by the teachers' union. Many teachers could be opposed to the control of their union leaders. In fact, some surveys suggest this is the case. Nevertheless, teachers lack any institutional protection to escape the discipline belt imposed over them by the teachers' union.

Although the consequences for the quality of the education have been negative, the institutional frameworks of both the education system and the Mexican federalism have produced asymmetries of information useful for the teachers' union to make sure that the status quo in the education sector prevails. The union leaders have accumulated a long experience on the rules of the game and have been capable of using them when possible, changing these regulations if necessary, and opposing institutional changes any time they consider their privileged position can be challenged. As a former undersecretary of the federal education system pointed out "while education authorities both at the federal level and at the state level work out sporadically, the union members go to the gym daily… The SNTE has a common goal of improving the labor conditions of its members and increasing its influence over the education system… There is no such a common educational goal shared by federal and state authorities" (Interview former undersecretary of education July 10th, 2008). In consequence, an organized group such as the teachers' union, with multiple selective incentives at its disposal and the largest number of affiliates has been capable of playing simultaneously the protests, the electoral and the bureaucratic arenas in a successful manner in order to secure better salaries and excellent job benefits for its members.

7. Conclusion

One of the goals of this dissertation has been to demonstrate the need to move beyond the exclusive focus on aggregate levels of educational spending. As I suggested in chapter 1, there is important variation on how governments allocate the resources for education. The distributional consequences of these allocations are substantially different depending on which education level is privileged by the distribution of government expenditures. As I highlighted, there is ample cross-national evidence that while the spending on primary and lower secondary has progressive effects, the expenditure on tertiary education is particularly regressive in the developing world. However, existing studies of education spending to date have focused on aggregate levels of spending , rather than examining the allocations of funds to the different education levels and have ignored the distributional struggles that accompany spending decisions. Our understanding of the politics of education spending has thus remained limited.

In an effort to improve this understanding, I have focused on analyzing the political determinants of expenditure decisions on primary, lower secondary and tertiary education. A second main goal of this study has been to bring into the analysis of education spending the role of organized interest groups in the education sector, who are the main beneficiaries of public expenditures on education and who influence elected authorities in their decisions to distribute funds between education levels.

7.1. The argument revisited

Based on the literatures of interest groups, unions, and social movements, I developed in chapter 2 a theoretical framework for understanding how we should expect different distributions of education spending contingent on the organizational and collective action capacities of interest groups in the education sector. Taking into consideration these capacities, I have shown that, according to the theoretical expectations, the teachers' unions are the most influential organized group in the education sector.

In chapter 3, I provided an overview of the decentralization of education in Mexico. I explained that this process took a long time to be implemented because the teachers' union became the main opponent of advancing decentralization to avoid any possibility of its fragmentation. The chapter provides an explanation on the material benefits and institutional protections that the teachers' union extracted from the federal authorities in order to implement the decentralization of education. The terms on which education services of primary and lower secondary and teachers' training colleges were transferred from the federal government to the subnational authorities translated into blurred responsibilities on education policy. As a result, both levels of government have continued allocating resources toward education, although the federal expenditures continued to be the main source of education spending in the country. The shared and

blurred responsibilities on education policy have limited the possibility of Mexican voters to hold accountable authorities for quality of public education services. As it is explained in further detail in chapter 6, this shared institutional framework for the provision of education has contributed to perpetuating a negative equilibrium in the education sector in Mexico.

Through the analysis of federal funds and of subnational budgets for education in Mexico, chapter 4 and 5 provide empirical support for the main hypothesis of this study. Teachers' unions are the most powerful organized group in the education sector and have been able, through disruptive actions undertaken in the streets, to obtain economic benefits from both levels of government.

In chapter 4, I analyzed the distribution of educational grants per student for basic education and teachers' training colleges, and the total grants for education per student allocated to 31 Mexican states between 1996 and 2009. Taking advantage of an original data set that contains more than 9000 disruptive actions in the Mexican education sector carried out between 1992 and 2008, I demonstrated that the theoretical predictions hold up under a variety of empirical operationalizations. The findings of chapter 4 show that the distribution of federal transfers for education has followed a political logic on which the influence of the disruptive capacity of the actors in the education sector has been a key factor. Federal authorities have followed a reactive and appeasement logic in their

allocation decisions, abandoning the compensation – redistributive promise of sending federal funds toward the states based on technical criteria and compensatory and equity enhancing purposes.

Similar to other cases, such as Russia, where the strike weapon has been used to pressure central authorities in the distribution of resources, the Mexican states have been able to extract larger educational transfers from federal authorities (Treisman 1996, 2007). Influenced by the disruptive capacity of teachers' unions and their protests on the streets, governors of several states have threatened the central authorities in giving back the administration of the education services and abandon their decentralization agreements if not provided with additional federal funds to finance education. This dual activism of teachers in the streets and governors' threats has been rewarded with generous economic concessions from the federal government.

Chapter 4 also provides evidence that the opposition governors and not the presidents' partisans have been the main beneficiaries in the allocation of federal grants for education. As a result of having a divided government at the national level since 1997, the federal authorities have been forced by opposition parties in Congress to allocate more resources toward the states they govern. In consequence, the evidence provided in chapter 4 underscores that, under conditions of a powerful interest group such as the teachers' union and divided government, the margins of electoral manipulation of

federal grants is considerably reduced. The dissertation makes a strong case of the importance of disaggregating policy domains and expenditures in order to have a better understanding of the politics that surround them. In the case of the fiscal federalism literature, this dissertation joins recent efforts which have pointed out that rather than lumping together grants in big categories such as conditional and unconditional, it is necessary to analyze their different components to assess correctly the political factors that influence their distribution (Bonvecchi and Lodola 2011).

In chapter 5, the findings at the state level confirm the capacity of organized groups in the education sector to extract resources from the subnational governments by using their collective action capacity to take their budgetary demands to the streets and make their voices heard by elected authorities. However, the disruptive actions carried out by these groups are only effective for budgetary decisions in what is known in Mexico as the basic education level (primary and lower secondary). In contrast, even though workers, professors, and students from public universities have also used the streets as a vehicle to express their demands for more funds to tertiary education, on average they have not been successful getting larger budgets through these disruptive means. The differences observed between the effects of political determinants by education level are an observable implication of the theory driving this study. Not all the voices are equally heard by politicians when distributions of budgets are made. Those

who have the strongest collective action capacity are capable to prevail in getting their demands served by elected authorities.

Chapter 5 also contributes to advancing our understanding on how parties' ideologies influence policymaking. The results suggest the need to qualify attempts to make theories that have provided robust findings in the case of advanced economies, travel to the developing world. As it has been pointed out by scholars analyzing the effects of partisanship on educational spending, the literature on the OECD countries has explored in a very limited way fashion the effect of partisanship on spending by educational levels. By analyzing spending for basic education and tertiary education separately, Chapter 5 shows that partisanship effects are diluted in the presence of powerful organized groups such as the teachers' union.

The teachers' union has successfully pressured political parties of the entire ideological spectrum and has made them satisfy their economic demands. In contrast, when organized groups are weaker, they are less successful when trying to influence policy decisions. In the case of tertiary education, the fragmentation of unions, their limited geographical presence and lower unionization rates has constrained their capacity to influence budgetary decisions. Furthermore, the lack of institutional resources of other organized groups at this education level such as students, has narrowed their capacity to maintain protests for extended periods of time. The weaker organizational capacity of

interest groups in the tertiary education has eroded the influence of public universities' workers and students to extract larger budgets for this education level. Under these conditions, partisan differences do play a role on the allocation of education spending. In Mexico, the Christian right-wing governments of the PAN have channeled more resources toward public universities than their leftist and left-center counterparts. These findings confirm the need to disaggregate government expenditures in order to have an adequate understanding of the distributional struggles that accompany the allocation of public resources. By disaggregating public expenditures in education it is possible to identify that the political factors affecting the distribution of budgets vary according to each education level.

Building upon fieldwork in Mexico and the extensive review of popular press and secondary literature specialized on covering education in Mexico, chapter 6 provided evidence of the complementary strategies used by the teachers' unions to influence education policy. Chapter 6 documented how the union has successfully colonized key positions in the subnational education ministries. In the 31 Mexican state education systems, the union has been able to appoint eight of its members to become state education ministers while simultaneously taking control of other 38 main positions such as undersecretaries of education and general coordinators of a "merit pay based program"

called *Carrera Magisterial*. The capture of this program by the union has also been a very important tool for extending its control over teachers.

Moreover, the union has secured its control on the rest of the hierarchy in the education system by making all school principals, school supervisors, school superintendents and several of the general directors for primary and lower secondary schools, members of the union. The chapter provided evidence on how and why corruption and clientelistic practices inside the education sector have survived as a result of the union's colonization of the education system. By becoming an authority in the education sector, the teachers' union has protected its members against corruption investigations, while at the same time has consolidated its capacity to make its demands prevail.

Furthermore, the union has successfully deepened its involvement in electoral politics by using its mobilization capacity and organizational skills to form a political party called *Nueva Alianza* (PANAL). Through this political party, the union has diversified its alliances with political parties and has obtained congressional representation both in the federal and local legislatures. With this legislative representation the union has consolidated its political tools to defend its budgetary requests.

Finally, chapter 6 explains how institutional features of the Mexican political system such as the strict rule of term limits and no immediate reelection, a fiscal federalism with states highly dependent on transfers, and an incomplete decentralization of education, have created the conditions to produce a negative equilibrium for economic development as the teachers' union have been able to extract economic rents without delivering good quality education. The teachers' union has been able to take advantage of the asymmetries of information in the education sector. Information asymmetries between the levels of government, between authorities and voters, between governments and the union, and between the union and the general public have allowed the union to extract resources from both levels of government and prevent reforms inimical to its interests.

7.2. The argument beyond Mexico

The theoretical framework proposed in this dissertation and tested in the comparative setting of 31 states over a 13 year period travels to other Latin American countries. The influence of teachers' unions on education spending is an extended phenomenon in the region. Like the Mexican teachers' union (SNTE), union organizations of teachers in Latin America have exploited their collective action capacity, the negative effects of their disruptive actions, the colonization of the education ministries, and have learned to

establish in most of the cases beneficial relationships with political parties to advance their economic demands.

The expansion of unions in Latin America coincided with the growth of the educational systems during the 1950s and 1960s. Corporatist relationships with the ministries of education developed as the unions were invited to help devise norms, regulations, and statutes that were an important aspect of more inclusive national systems (CIDE-PREAL 1998; Tiramonti 2000). With these corporatist regulations, the teachers' unions began a process of colonization of the education systems. Not only in Mexico has the line between the education authority and the teachers disappeared.

In Ecuador unions developed well-recognized rights to name high level officials within the ministry and at times had a say in the selection of ministers. Teachers' unions in Chile, Argentina and Colombia became part of corporatist structures and participated regularly on issues related to education policy and teachers. In Costa Rica, the union representing primary school teachers proposed lists of candidates to fill in teaching posts and even became members of the teachers' national pension board (Loyo, Ibarrola and Blanco 1999 p.8). As Grindle points out in the case of Chile, the "posting of teachers in the ministry of education meant that in some sense, the teachers became the ministry and the ministry became the teachers" (Grindle 2004 p.123). Sometimes the capture of the education structures reduced the conflicts between the teachers' union and the states. For

example in Costa Rica, after a strike in 1995, the relationships between the teachers' union and the ministry of education have been peaceful in the following years as they have privileged positions in the education ministry. Something similar occurred in Ecuador where the union continued dominating the ministry despite strong confrontations with the government.

Similar to the Mexican case, these colonization strategies have allowed teachers to secure conditions such as tenure. Teachers' unions have ensured control over supervisory positions with an erosion of the accountability mechanisms over teachers and a lightening of their teaching burdens. To a great degree, this colonization of education ministries has caused that monitoring of teacher performance is still limited in the region. The teachers' selection processes are constantly biased and obey the interest of the unions rather than criteria of excellence. Because of the interdependent relationships between governments and teachers' unions, it is frequently the case that even other government jobs are distributed to the union leaders (Tiramonti 1999).

Teachers' unions have understood that their mobilization capacity is a powerful political tool attractive to political parties interested in increasing their bases of voting support. In order to achieve these purposes, teachers' unions have become instruments of clientelistic practices. In Brazil, Colombia and Venezuela teachers have worked as political brokers to increase the electoral gains of allied parties (see for example Duarte

1998 for how teachers became active members of clientelistic machines in Colombia; for clientelism in education policy in Brazil see Plank 1996; Oxford Research 2006, 2008).

In this sense, similar to the Mexican SNTE, other teachers' unions in Latin America have learned to develop relationships with political parties and play successfully the electoral game of democratic politics. For example in Bolivia, Ecuador, Guatemala, and Peru, teachers' unions have had strong linkages with small leftist parties identified with the opposition (Tiramonti 2000). In Argentina, the Unión de Docentes Argentinos (UDA) has been a strong ally of the Peronist Party and a member of the Peronist peak labor confederation, the CGT (Confederación General del Trabajo). The CTERA, a federation of provincial unions created in 1973 which is currently the most important teachers' organization in Argentina, has diversified its political relationships over time. During the 1980s they had strong relationships with the peronists but in the 1990s the union leaders aligned with the reformist FREPASO party. Today it has retaken its political linkages with the ruling peronist party.

Unions have learned to play electoral politics in their favor in places such as Colombia, Peru, Chile, Brazil, Venezuela, Argentina and Nicaragua. In Chile, although during the Pinochet dictatorship the teachers' union suffered considerable repression, after the democratic transition, the Colegio de Profesores regained political clout and developed relationships with the incumbent governments of the Concertación (Socialists

and Christian Democrats). In the runoff they supported Michelle Bachelet in order to avoid that right wing politicians arrive to power (Nuñez 2001). In Brazil, the National Confederation of Education Workers (CNTE) has grouped the teachers of elementary schools and secondary education. Although the unions have different political alliances, most of them have relationships with the Workers Party (PT) (Palamidessi 2003). In the Dominican Republic, the Asociación Dominicana de Profesores (ADP) has supported candidates from the Partido Revolucionario Dominicano (PRD). During the PRD governments, the union joined the education reforms proposed by the authorities. However, when in 2004 the Partido de la Liberación Dominicana arrived to power, the union carried out large demonstrations to force the government to attend its demands (Palamidessi and Legarralde 2006).

In the United States the teachers' unions are strong support bases of the democratic party. The National Education Association (a public sector labor union that represents some 2.3 million K-12 public school teachers and nearly a million education support workers such as bus drivers, custodians and food service employees) spent more than $56.3 million in political contributions for democrat candidates. The American Federation of Teachers (AFT), the smaller of the two national professional education unions, contributed $12 million to Democrat candidates (Antonnuci 2011).

Unions change alliances and learn to diversify their relationships with political parties. This is the case of the *Asociación Nacional de Educadores* (ANDE) in Costa Rica, which has been able to negotiate and get economic benefits independently from the party in government. However, in other countries unions have kept distance from both government and opposition parties (e.g. the Jamaica Teachers' Association – JTA).

The teachers' protests have forced governments in the region to modify education proposals considered dangerous for their interests. During the 1990s several disruptive actions involving teachers took place as governments began the implementation of education reforms. For example, in Argentina between 1984 and 2000, 150 school days per year were lost to strikes in all 24 provinces. A teachers' strike caused by unpaid salaries started the so-called "Santiagazo" of 1993, which became the first urban riot of Argentina in the 1990s (Maceira and Murillo 2001). In Peru, the government had to declare a state of siege in 2003 because of large teachers' demonstrations started as a result of teachers' opposition against a proposal to transfer an important number of schools to the private sector.

In Uruguay in 1989, teachers went on a strike which had electoral consequences for the ruling party. The strike affected considerably the government's legitimacy. The Partido Colorado lost power and when the new president from the Partido Blanco (Luis Alberto Lacalle) arrived to power, he made sure to promote education policies in

accordance to the interest of the teachers' union. Even under scenarios of strong political alliances such as those in Costa Rica mentioned above, disruptive actions have sometimes taken place when governments have not served the unions' economic demands. There, in 1990 there was a general strike that lasted twelve days because of a disagreement with a salary increase, and then in 1993 and 1995 there were two important strikes because of proposed changes to the teachers' pension system.

One of the policies which teachers' unions oppose the most is the decentralization of education. In Colombia the FECODE (Colombian Federation of Teachers) is a centralized union that similar to the SNTE resisted the government's proposal to decentralize education. FECODE pressured legislators to include some financial concessions in the legal transfer of resources to the departments (Maceira and Murillo 2001). FECODE only supported administrative decentralization when the centralization of collective bargaining was secure. The Colombian teachers' union defeated the original government's initiative which intended to decentralize education services to the municipal level and to give more school autonomy. In Chile the union was able to maintain national level collective bargaining agreements for salaries and teaching conditions despite significant decentralization initiatives (Angell, Lowden and Thorp 2001 p.281 – 283; Gaynor 1998; Kaufman and Nelson 2004).

According to the Latin American Observatory of Education, during the first months of 2006, from 18 countries in the region, 16 had a conflict between the teachers' unions and the governments. Most of the protests and disruptive actions that took place had the goal to improve the economic conditions of teachers (60 percent of the protests). Other relevant motivations were related to education policy (23 percent) and political affairs (10 percent) (Gentili and Suárez 2004; OLPED 2006). Argentina, Brazil and Mexico had the largest number of protests between 1998 and 2003. Most of these disruptive actions were against national governments, although near a third of the total protests carried out in this period were targeting state and local authorities. Teachers' protests lasted on average eleven days. Mexico had the longest protests with 20.8 days per conflict, and was followed by Argentina and Ecuador (14.3 days respectively) and by Brazil with 14.1 days. None of the protests observed during this period in Latin America lasted less than three days. The disruptive strategy to defend demands was an extended practice in the region.

Teachers oppose proposals that imply changes in their job security, introduce salary scale structures that open the door to differentiated salaries among teachers, or that try to create teachers' evaluation systems. In this sense, three of the policies which teachers oppose the most are real accountability, real school choice and pay for performance programs. Instead, they have supported policies that imply bigger budgets,

general salaries raises, and smaller class sizes (which require hiring more teachers). Their actions not only can sabotage or enhance reforms but can also affect citizens' perceptions about the government's ability to deliver these services.

In 2009 the New York Times reported that more than 700 teachers in New York City are on what is known as the Rubber Rooms (Temporary Reassignment Centers). These are teachers kept outside of the classrooms and housed in these rooms when they are considered so unsuited to teaching that they need to keep them away from the city's children. Instead of firing these teachers, the city has been forced to continue paying these teachers' salaries (Brill 2009; Einhorn 2008; Montefinise and Melissa Klein 2007). American unions have found their way to capture also parts of the education system in the United States. There is evidence that the lower transactions costs for teachers' participation in the election of school boards, have allowed them to capture these collective bodies (Moe 2006). Although teachers' unions in the United States do not have a national presence, they still are the most influential group in the education system and use their political power to shape schools in this country. They might not impose every policy they want, but they are capable of blocking or weakening the policies they do not want, such as the use of standardized tests for teachers' evaluations.

Nevertheless, teachers' unions are not always powerful actors in the education sector. This is particularly true in cases of extreme fragmentation and low membership.

For example in Honduras, Nicaragua, Guatemala, El Salvador o Puerto Rico there are multiple unions which have not managed to coordinate effectively into one single confederation and in consequence have had weaker influence on education policy (Palamidessi 2003).

Overall, teachers' unions in Latin America have had the capacity to bring national ministries and school systems to a halt. They marshal significant numbers of votes. Their close connections to political parties have allowed their leaders to become important figures in party decision making and the distribution of government largesse when those parties have been in power. Through protests, the colonization of education structures and political alignments with political parties, teachers' unions have become the most important actor for education reform. As the multiple experiences of education reforms in the region during the 1990s have shown, teachers' unions are key actors not only for policymaking but also for policy implementation (Puryear 1997). In order to increase their influence over education reform they have learned to diversify their strategies on the streets, at ballot boxes and in the education bureaucracies.

7.3. Future research

This dissertation contributes to a growing scholarship in the political economy of social policy in general, and of education spending in particular. I propose that in order to understand the politics of government expenditures for education it is necessary to go

beyond aggregate levels of spending and disaggregate the funds allocated to each education level. The politics of education spending can only be understood if scholars analyze the role of the organized groups in the education sector and the way they influence budgetary decisions across education levels. From all the organized groups in education, teachers' unions are the most influential to make their budgetary demands served by elected authorities. However, although the main purpose of the dissertation was to assess the politics of the distribution of resources within the education sector, future research needs to consider how budgets for education can be affected by the allocation of resources toward other social policies such as health.

The contemporary struggles for public budgets observed in light of the current international crisis, suggest that scholars should pay attention how the margins of influence of teachers and other organized groups in the education sector, can shrink as the demographic dynamics reduce the demand for education services while at the same time increases the requests for other social sectors such as healthcare and elderly care. The budgetary discussions in several Western European countries where the elderly are becoming a majority of the electorate, suggest that governments can take away resources from education to serve new larger electorates. However, the teachers' demonstrations and students' protests opposing changes in universities' tuitions underscore how actors in the education sector use their collective action capacity to resist negative budgetary

changes. A systematic understanding of the new struggles for resources of education vis-à-vis other social policies, and especially of each education level, will open a wide window of opportunity for research on the politics of redistribution.

The findings of this dissertation suggest that in general at the state level, governors facing larger teachers' protests pander to their economic demands. However, it is necessary to understand if these reactions vary contingent on the states' level of democracy. The growing literature on uneven democratization has identified the existence of "regime juxtaposition" –that is, the prevalence of subnational undemocratic regimes alongside a democratic national government. Beyond Mexico, countries such as Argentina and Brazil have uneven levels of democratization across states. Future research needs to explore the variance on these subnational political regimes in order to understand if the teachers' unions are capable to extract resources from undemocratic subnational governments and if they do, if street mobilization is also an effective vehicle to achieve their economic goals. Under conditions of uneven democratization teachers might be as effective in using their mobilization capacity to bring votes to authoritarian ruling parties as they are today in democratic competitive subnational elections (e.g. Nuevo Leon, Baja California Sur or the State of Mexico).

Consistently with the way teachers behave under conditions of uneven democratization, future research should also study in further detail the role of organized

interests groups in the education sector in electoral authoritarian regimes (e.g. Egypt). In some of these electoral authoritarian regimes, students from public universities have been at the center of popular protests demanding political freedoms. Governments face the challenge to choose the best strategy to appease these disruptive actions. One possible route for governments is to use strategically education expenditures. During the 1960s when university students' protests erupted in Mexico, the regime followed first a strategy of repression and tried to squeeze the budgets for public universities. Nevertheless, when the former interior minister, who had been involved in the repression against college students, became president, he increased substantially the budgets for the tertiary education sector in order to avoid the growth of guerilla movements. It would be necessary to understand how other electoral authoritarian regimes face students' protests and mobilizations and their consequences for educational spending.

In addition, one of the future venues for research should explore how the characteristics of the fiscal federalist arrangement affect the teachers' disruptive strategy and their effectiveness to obtain larger budgets. Countries where states are highly dependent on transfers, such as Mexico, might create the incentives for governors to use strategically their political relationships with the teachers' unions in order to obtain more funds from the federal government. However, in countries where states have stronger sources of revenue of their own, such as Brazil, governors are more likely to be subjected

to stronger budgetary pressures by teachers and other organized groups in the education sector.

As it has been pointed out, during the last two decades several countries have advanced efforts for decentralizing their education systems. Argentina, Brazil, Chile and Colombia have walked in this direction. Only Argentina and Brazil are formally federal countries and have made their subnational governments the main authorities responsible for education services, especially in the case of primary and secondary education. Chile and Colombia have also made efforts to make municipal governments more active in the management of the education systems. As collective efforts such as the Observatorio Latinoamericano de la Educacion have begun to pay attention to the disruptive strategies by teachers in the region, it would be possible to advance research on the effects of teachers protests in light of the different arrangements of fiscal federalism that exist in Latin America.

Recent scholarship has taken a second look at the role of education for development and economic growth. General consensus exists that investing in education is good, but, as this study underscores, execution has often been faulty. Authorities in many developing countries have increased education budgets, and have privileged initiatives such as conditional cash transfers, and school nutrition programs with the goal of providing more education opportunities to their citizens. However, there is evidence

that although these proposals have increased attainment, quality of education has not improved (Hanushek 2008). Many socioeconomic factors such as parents' education, the lack of adequate teaching materials, the wealth of the community where schools are located, can affect the quality of education. But studies have shown that one of the most important factors for the quality of education is teachers (Glewwe 2006; Milanowsk 2004). Therefore, from a policy perspective researchers and policymakers need to study what are the consequences of teachers' disruptive behavior for the quality of education. It is likely to expect that teachers' militancy, and in consequence their absenteeism, have a negative impact on their performance and the quality of education they provide to their students.

Moreover, experiences in several education systems around the world suggest that teachers oppose evaluations of the quality of their teaching. In several American states, teachers' unions have successfully blocked policy proposals to use standardized testing as part of the process of teaching evaluation. In Mexico, the government has announced an initiative to evaluate all teachers and to change the evaluation mechanisms of the teachers' salary compensation program. Large teachers' demonstrations have been observed in Mexico City against this proposal. In Michoacán and Oaxaca teachers have blocked the implementation of standardized tests in most of the public elementary and lower secondary schools. In contrast, states such as Aguascalientes, Nuevo Leon, and

even states with usually high levels of disruptive teachers' actions such as Chiapas and Morelos, have been able to carry out standardized testing. In addition, to understand the consequences of teachers' protests for quality of education, it is critical to understand the political conditions under which state governments are more capable of resisting teachers' pressures and advance efforts to improve the quality of education taught in the school systems under their control.

Protests have brought economic benefits to teachers. Nevertheless, as it has been shown in this study, there is important variation across space on the levels of disruptive actions carried out by teachers. Future research projects should provide an explanation of the differences of the disruptive capacity between actors at the same education level. Why is it the case that not all teachers take their demands to the streets? What factors affect the teachers' collective action capacity to carry out protests and advance their interests? In other words, it is necessary to study the disruptive actions indicator presented in this study as a dependent variable and provide a systematic explanation of the variation in the disruptive behavior observed across space and time. Political alliances with the subnational government, internal fragmentation, and differences on the costs for protesting are some of the factors that might drive the differences on the disruptive behavior observed in the country.

Finally, one of the implications from this dissertation is to identify why education reforms around the world are so hard to implement. In order to improve the results in the classrooms, policymakers need to understand that performance is more than a question of resources. Rather, how public funds are used in the education system and how organized groups inside it interfere with their allocation, make a huge difference for the improvement of the quality of education. The biggest challenge is to develop policy proposals that can reduce the spaces inside the education sector colonized by teachers' unions and other organized groups.

In a globalized world of competition, where countries' growth possibilities are tied to their capacity of jumping into higher value added activities in global production chains, good education is essential (Brady et al. 2011; OECD 2007). Kids without opportunities of access to good quality education are left behind. And nations without good education systems are also left behind. There is an increasing awareness among specialists, government officials and political analysts of the need to accelerate the pace for improving the quality of education even where polls suggest that among the general public in many developing countries, there is inadequate awareness of the importance of having good schools for young people's future (Lora 2008).

For good quality education to become a reality, strong challenges in terms of the distribution and use of public funds in education must be overcome. The challenges to

accomplish policies which could pave the way for the achievement of better education standards are considerable. Democratic accountability in the education system is still in the making. As civil society is becoming more organized and vocal, there is hope that mechanisms of transparency can shed light on the negative practices that continue to dominate the way education expenditures are distributed and used. For example, as more information became available on how the teachers' union have abused their power on teaching posts, the political repercussions for elected authorities to continue allowing these practices have increased. In this sense, accountability will be a key element for eroding the network of interests inside the education sector that have limited the possibility of improving its quality.

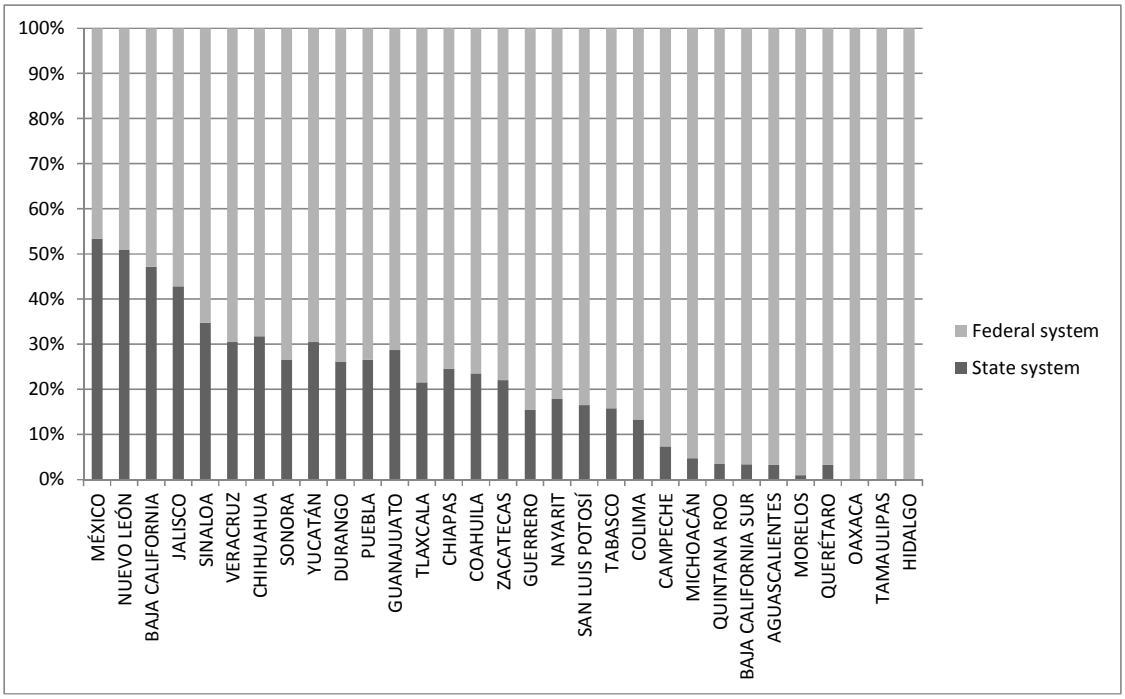
It is necessary to recognize, as the empirical evidence presented in this work shows, that the organizational costs for other actors such as parents is much higher and that they lack institutional mechanisms that would allow them to reach the collective action capacity necessary to neutralize teachers' unions power and to become an effective wall against their misconduct. Nevertheless, if information on education policy is made public (such as further disaggregated budgets on education levels, the funds allocated to each school with a detailed list of the teaching positions authorized for each of them, the individual students' results of standardized tests, etc.), then there is a window of

opportunity to position education as an issue of the highest priority for the public opinion domain.

Although the positive externalities of the technological change should not be overrated, it is necessary to emphasize that it can contribute positively to frazzle the discretionary use of resources in schools. Only with the political pressure of a public aware of the negative consequences for the current state of education affairs, there would be a possibility to create the conditions and the incentives to make politicians accountable for their actions in the education policy domain. Then, if it is not by conviction, it will be by convenience that politicians will serve the voters' demands for better education rather than be tempted and forced to pander to organized groups in the education sector. The possibility of the streets to influence the allocation of funds and the colonization of the education systems by teachers' unions could shrink as a consequence of more transparency and accountability on the use of public funds for this social sector. Privileges that sustain organized interests in the sector could diminish. Voters will have a stronger saying on what occurs in the classrooms, and good education might become a tangible possibility and not only an aspiration for all.

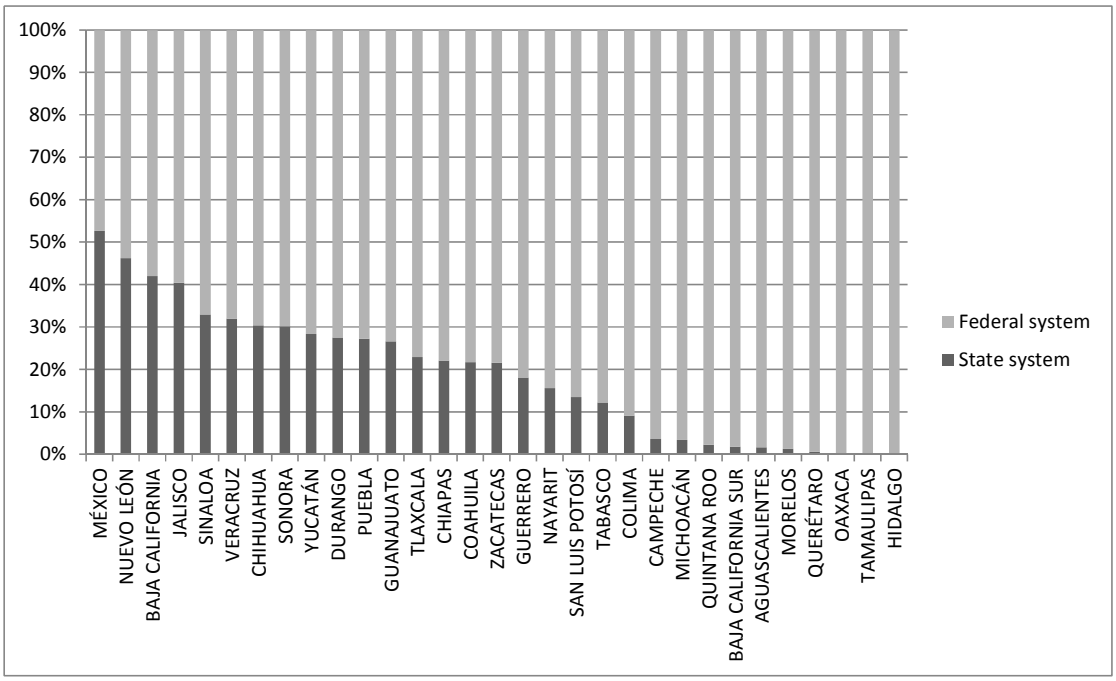
Appendix

Appendix 5.1.Mexican public state systems in basic education and teachers' training colleges in 1992



Source: Author's calculations with SEP 2011.

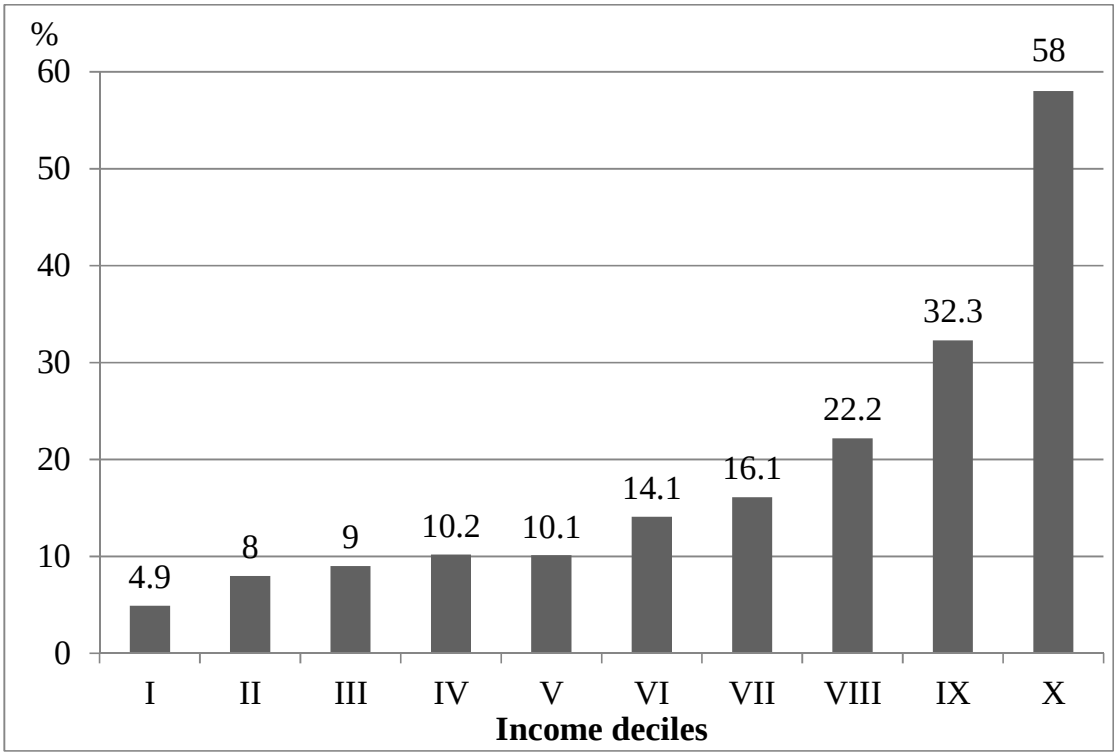
Figure 5.7 Size of public education systems in Mexican states by authority considering the number of teachers in 1991 – 1992 (basic education and teachers' training colleges)



Source: Author's calculation with SEP 2011.

Figure 5.8 Size of public education systems in Mexican states by authority considering the enrollment in 1991 – 1992 (basic education and teachers' training colleges)

Appendix 5.2 Access to tertiary education in Mexico by income



Source: *Reforma* 2009 based on INEGI 2008.

Figure 5.9 Access to tertiary education in Mexico by income level [1]

[1] The age group analyzed was the young Mexicans between 19 and 23 years old.

Appendix 6.1. Main Positions in the Subnational Education Ministries controlled by Members of the Teachers' Union (2011-2012)

State	Secretary's name	Institution	Secretary of education linked to SNTE	Other education positions linked to SNTE	Undersecratry of Basic Education	Carrera Magisterial	Period	Governor	Party in government	PANAL member of winning coalition for governor election	Number of positions in the education system controlled by SNTE members
Aguascalientes	Francisco Chávez Rangel (Former private secretary of Reyes Tamez, who was the education minister with Vicente Fox and federal congressman by PANAL)	Instituto de Educación de Aguascalientes	Yes	Yes (Coordinador Carrera Magisterial)	Raúl Silva Perezchica No link with SNTE	César Loera Dondiego In 2008 the state education authority reported that he had two positions as a teacher in telesecundarias and that he was commissioned to SNTE. In December 2010 he coordinated the group of Professional Development of the section 1 by SNTE in the state.	1/12/2010 - currently	Carlos Lozano de la Torre	PRI	Yes	2
Baja California	Javier Santillán Pérez	Secretaría de Educación y Bienestar Social de Baja California	No	No	Roberto Rodríguez Rivera	Aida Araceli Pereyra Fonseca	1/11/2007 - currently	José Guadalupe Osuna Millán	PAN	Yes	0
Baja California Sur	Alberto Espinoza Aguilar (member of the section 3 of SNTE)	Secretaría de Educación Pública	Yes	Yes, General director of Basic Education and Director of Carrera Magisterial	Diana Victoria Von Borstel Luna Member of the dissidents' faction in the section 3 of SNTE	José Félix González Hirales He has a plaza as teacher for grown ups. Links with section 3 SNTE.	04/05/2011 - currently	Marcos Alberto Covarrubias Villaseñor	PAN	No	3

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Campeche	Francisco Domingo Ortíz Betancourt	Secretaría de Educación, Cultura y	No	Yes (Coordinator of Carrera Magisterial)	Manuel Jesús Cabrera Pachecho	Jorge Antonio Cocom Collí Member of the section 4 of SNTE	10/15/2009 - currently	Fernando Eutimio Ortega Barnés	PRI	Yes	1
Chiapas	Ricardo Aguilar Gordillo Member of the central committee of the section 40 from SNTE in Chiapas	Secretaría de Educación	Yes	Yes (Undersecretary of Basic Education and Undersecretary of Federalized Education)	Juana María Velasco Hernández (Básica Educación Estatal), José Luis Echeverria Escobar (subsecretario de Educación Federalizada) Members of section 40 from SNTE	Jesus Leonidas Suasnávar Torres (He was subdirector Elementary Schools in the state education ministry in 1992) He does not have links with the SNTE.	22/9/2011 - currently	Juan José Sabines Guerrero	PRD	Yes	2
Chiapas	Javier Álvarez Ramos	Secretaría de Educación	No				12/7/2007 - 22/9/2011	Juan José Sabines Guerrero	PRD	No	
Chihuahua	Jorge Mario Quintana Silveyra	Secretaría de Educación y Cultura	No	Yes (Director of Carrera Magisterial)	Carlos González Herrera	Leonel Alfonso González Jurado Member of the section 8 of SNTE	04/10/2010- currently	César Horacio Duarte Jáquez	PRI	Yes	1

Main Positions in the Subnational Education Ministries controlled by Members of the Teachers' Union (2011-2012)

State	Secretary's name	Institution	Secretary of education linked to SNTE	Other education positions linked to SNTE	Undersecratry of Basic Education	Carrera Magisterial	Period	Governor	Party in government	PANAL member of winning coalition for governor election	Number of positions in the education system controlled by SNTE members
Coahuila	Jesús María Fraustro Siller	Secretaría de Educación y Cultura de Coahuila	No	Yes (Carrera Magisterial)	Ma. Dolores Torres Cepeda	Eleazar Gallegos Hipólito The state government reported in 2011 that he was a teacher commisioned to the SNTE as Savings' scretary of this organization. He is member of the central committee of the section 5 of SNTE	1/12/2011 - currently	Rubén Moreira Valdéz	PRI	Yes	1
	Andrés Mendoza Salas* (The leader of the section 38 recognized that the secretary of education was a distinguished member of this organization).	Secretaría de Educación y Cultura de Coahuila	Yes	Yes (Carrera Magisterial)	Ma. Dolores Torres Cepeda	Eleazar Gallegos Hipólito The state government reported in 2011 that he was a teacher commisioned to the SNTE as Savings' scretary of this organization. He is member of the central committee of the section 5 of SNTE	6/12/2010 - 30/11/2011	Humberto Moreira Valdéz	PRI	Yes	
Colima	Federico Rangel Lozano He was secretary of the union's section 39.	Secretaría de Educación de Colima	Yes	Yes (Director of Basic Education and Director of Carrera Magisterial)	José María Valencia Delgado In addition to his links to the union section in the state, he has also been congressman by the PRI. Former secretary general of section 6 of SNTE.	Alba Luz Vaca Member of the section 6 of SNTE. She is a PRI member and coordinator for the municipal force of the PRI (2011 - 2014)	11/1/2009	Mario Anguiano Moreno	PRI	Yes	3
Durango	Jorge Herrera Delgado	Secretaría de Educación	No	Uncertain	Arturo Guzmán Arredondo	José Evaristo Aragón Sanabria	9/15/2010 - currently	Jorge Herrera Caldera	PRI	Yes	0

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Guanajuato	Alberto de la Luz Socorro Diosdado	Secretaría de Educación	No	Yes (Carrera magisterial)	Ana Luz González Fuentes	María del Socorro Montoya Martínez In 2007 she was accused of having hitted a student. Several members of the section 13 of the union occupied the school in order to put pressure over the authorites to defend her. Eventually the investigation was dropped.	9/25/2006 - currently	Juan Manuel Oliva Ramírez	PAN	No	1
Guerrero	Silvia Romero Suárez	Secretaría de Educación	No	No	Raúl Salgado Leyva	Mirna González Rojas	1/4/2011 - currently	Ángel Heladio Aguirre Rivero	PRD	No	0
Hidalgo	Joel Guerrero Juárez	Secretaría de Educación Pública de Hidalgo	No	No	Manuel Hernández Zamora Member of the PRI Fausto León Vargas (General director of Elementary Schools) Member of the central committee of section 15 and member of PANA	Ofelia González Hernández Member of the PRI	4/1/2011	José Francisco Olvera Ruiz	PRI	Yes	1
Jalisco	José Antonio Gloria Morales	Secretaría de Educación	No	Yes (Undersecretary of Basic Education and Director of	Pedro Díaz Arias Member of section 16 of SNTE	María del Carmen Plascencia de Anda Member of section 47 of SNTE	3/1/2007 - currently	Emilio González Márquez	PAN	No	2

Main Positions in the Subnational Education Ministries controlled by Members of the Teachers' Union (2011-2012)

State	Secretary's name	Institution	Secretary of education linked to SNTE	Other education positions linked to SNTE	Undersecratry of Basic Education	Carrera Magisterial	Period	Governor	Party in government	PANAL member of winning coalition for governor election	Number of positions in the education system controlled by SNTE members
México	Raymundo Edgar Martínez Carbajal	Secretaría de Educación	No	No	Luis Angel Jimenez Huerta	Alfredo Ríos Flores	15/09/2011	Eruviel Ávila Villegas	PRI	Yes	0
Michoacán	Graciela Carmina Andrade García Peláez	Secretaría de Educación	No	Carrera Magisterial and General Director of Elementary Schools	Mario Socorro Pérez Morales Member of the section 18 of SNTE	Laura Elena Rendón Lagunas Member of the section 18 of SNTE	15/02/2008 to 15/02/2012	Leonel Godoy Rangel	PRD	No	2
Morelos	Alejandro Pacheco Gómez	Secretaría de Educación	No	No	Felipe Rodolfo Sedano Reynoso	Gerardo Contreras Franco	10/1/2006 to currently	Marco Antonio Adame	PAN	No	0
	Felipe Sedano Reynoso,	Instituto de Educación Básica del Estado de Morelos	No								
Nayarit	Leticia Pérez García Member of section 20 of SNTE	Servicios de Educación Pública del Estado de Nayarit	Yes	Yes (Director of Basic Education and Carrera Magisterial)	Elías Portugal Cabello When Elías Portugal was appointed, the leader of the section 20 expressed that he was pleased of this selection as undersecretary because Elías Portugal is one of them and member of the committee of this SNTE's section	Maria Isabel Briseño Saavedra	19/09/2011 - currently	Roberto Sandoval Castañeda	PRI	Yes	3
	Marco Antonio Ledezma	Secretaria de Educación	No		José Antonio Contreras Bustamente Member of section 20 of SNTE	Member of the section 20 of SNTE. Close to the governor's wife.					

Main Positions in the Subnational Education Ministries controlled by Members of the Teachers' Union (2011-2012)

State	Secretary's name	Institution	Secretary of education linked to SNTE	Other education positions linked to SNTE	Undersecratry of Basic Education	Carrera Magisterial	Period	Governor	Party in government	PANAL member of winning coalition for governor election	Number of positions in the education system controlled by SNTE members
Nuevo León	José Antonio González Treviño	Secretaria de Educación	No	Yes (Undersecratry of Basic Education and Director of Carrera Magisterial)	Irma Adriana Garza Villarreal Member of section 21 of SNTE	Ignacio Alejandro Gaona Pasillas He is a lower secondary professor who is commisioned to SNTE's section 21.	10/3/2009 - currently	Rodrígo Medina de la Cruz	PRI	No	2
Oaxaca	Bernardo Vásquez Guzmán	Instituto Estatal de Educación Pública de Oaxaca	No	Yes (Director of Educación Elemental -Director of Elementary Schools)	Fernando Espinosa Cuevas Valentín Pedro Pablo Carrillo (Director of Elementary Schools) Member of the section 22 of SNTE	Fernando Velasco Alcántara No relationship with the section 22. Former advisor for the Oficial Mayor at SEP.	11/30/2010 - currently	Gabino Cué Monteagudo	PRD	No	1
Puebla	Luis Maldonado Venegas	Secretaría de Educación	No	General direction of Elementary Schools (Graciela Suárez Gastélum who is member of the section 23)	Víctor Manuel Barceló	Francisco García Mercado García	1/31/2011	Rafael Moreno Valle Rosas	PAN	Yes	1

Main Positions in the Subnational Education Ministries controlled by Members of the Teachers' Union (2011-2012)

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Queretaro	Fernando de la Isla Herrera	Secretaría de Educación	No	Yes (General Director of Teachers' Formation and Director of Carrera Magisterial)	Jaime Escobedo Rodríguez. Coordinación General de la Unidad de Servicios de Educación Básica Santiago Rubio Ramírez (Formación Docente) Member of the state central committee of PANAL and member of section 24	Alejandro Cayetano Gómez Member of section 24 of SNTE (He shares his responsability with Amelia Zenil, close collaborator of the governor).	1/10/2009 - to currently	José Calzada Rovirosa	PRI	Yes	2
Quintana Roo	Eduardo José Patron Azueta	Secretaría de Educación	No	Yes (Undersecretary of Basic Education and Director of Carrera Magisterial)	Wilibaldo Piña Hernandez Member of the section 25 of SNTE	Ruth Flores Bustillos Member of the section 25 of SNTE	4/4/2009 to currently	Roberto Borge Angulo	PRI	Yes	2
San Luis Potosí	Juan Antonio Martínez y Martínez	Secretaría de Educación	No	Yes (Subsecretaría de Educación Básica, Director of Elementary Schools and Special Education and Director of Carrera Magisterial)	Juan Evaristo Balderas Martínez He is member of the section 26.	José Alfredo Solís Leija Member of the section 26 of SNTE	26/09/2009 to currently	Fernando Toranzo Fernández	PRI	No	4
	Xicoténcatl Turrubiartes Flores He was secretary general of section 52 of SNTE	Director of the Regular State Education System (Sistema Educativo Estatal Regular)	Yes		Silvia Montelongo (director of Elementary Schools and Special Education) According to what the state reported to SEP she is commisioned to section 52 of SNTE.						

Main Positions in the Subnational Education Ministries controlled by Members of the Teachers' Union (2011-2012)

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Sinaloa	Francisco Frías Castro	Secretaría de Educación Pública y Cultura	No	Yes (Undersecratry of Basic Education)	Bernardo Vega Carlos He had been previously undersecretary of education. He was congressman by the PRI in 2003 and former general secretary of the section 27 (he has been critical of Elba Esther Gordillo)	Miguel Angel Romero Mercado	12/31/2010	Mario López Valdez	PAN	No	1
Sonora	Jorge Luis Ibarra Mendívil	Secretaría de Educación Pública y Cultura	No	No	Shirly Guadalupe Vázquez Romero	Luis Alberto Zazueta Valenzuela	9/13/2011 to currently	Guillermo Padrés Elías	PAN	No	0
	Oscar Ochoa Patrón	Secretaría de Educación Pública y Cultura	No	No			9/13/2009 - 9/13/2011				
Tabasco	Rosa Beatriz Luque Green	Secretaría de Educación	No	Yes (Undersecraty of Basic Education and Director of Carrera	Yara Luz Mijangos Member of the section 29 of SNTE	Teresa de Jesús Solís Member of section 29	12/31/2006 - currently	Andrés Rafael Granier Melo	PRI	No	2
Tamaulipas	Dióodoro Guerra Rodriguez	Secretaría de Educación	No	Yes (Undersecretary of Basic Education, Direction of Teaching Rules and Carrera Magisterial).	Prof Jorge Guadalupe López Tijerina He was secretary general of section 30. His predecessor (Bladimir Martínez) left his position in October 2011 after several protests carried out by teachers of section 30. They had accussed Bladimir of conducting persecution measures against their leader.	Heynalda Salazar Vallejo Member of section 30	12/31/2010 - currently	Egidio Torre Cantú	PRI	Yes	3

Main Positions in the Subnational Education Ministries controlled by Members of the Teachers' Union (2011-2012)

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Tlaxcala	Tomas Munive Osorno Fomer general secretary of section 31	Secretaría de Educación and Unidad de Servicios Educativos de Tlaxcala	Yes	Yes (Undersecretary of Basic Education)	Josefina Espinoza Cuellar and Guadalupe Chavez Member of section 31	Jorge Delgado Martínez	15/01/2011 - currently	Mariano González Zarur	PRI	No	2
Veracruz	Adolfo Mota Hernández	Secretaría de Educación y Cultura	No	Yes (Director of Carrera Magisterial and General Director of Elementary Schools)	Xóchitl Adela Osorio Martínez Oscar Moncayo Quiroz (general director of Elementary Schools). He was appointed after several protests by teachers from section 56 who demanded the governor fulfilled his agreement to name Moncayo in this position. After teachers took the offices of the ministry of education, Moncayo was appointed as new director of Elementary Schools.	A. Walter Palmeros Barradas Member of section 56	11/30/2010 to currently	Javier Duarte Ochoa	PRI	No	2
Yucatán	Raúl Humberto Godoy Montañez	Secretaría de Educación	No	Yes (Coordinator of Carrera Magisterial)	Omar Carrillo Valencia	José Julio Sabido Bastarrachea He is member of section 33. Former private secretary of the secretary general of the section 33 Raúl Méndez Osorio	31/07/2007 to currently	Ivonne Aracelly Ortega Pacheco	PRI	No	1
Zacatecas	Marco Vinicio Flores Chávez Former secretary of organization in central committee of SNTE.	Secretario de Educación y Cultura	Yes	Yes (Undersecretary of Planning and Support for Education and Coordinator of Carrera Magisterial) The undersecretary of Planning and Support toward Education (Antonio Jaboco de Luna) is member of section 34 and considered close to the circle of advisers of Elba Esther Gordillo	María Hilda Ramos Martínez	Antonio Reyes Carlos Member of central committee of section 34	11/11/2010	Miguel Alejandro Alonso Reyes	PRI	Yes	3

Source: Based on reviews of several local newspapers, the website of the education ministries, the website of the local teachers' union sections and confidential interviews in the education ministry.

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Biography

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His interest is the political economy of developing countries, with a particular focus on Latin America. He is author of National Mexican Report on Achievements and Challenges in Education in Regard to the Development Millennium Goals" for the *United Nations Development Program (UNDP) and the Economic Social Council (ECOSOC)* which was presented in July 2011 at the annual meeting of the ECOSOC in Geneva.

He is also author of "La educación en México: una oportunidad para el desarrollo", forthcoming (2012) in *Los desafíos de México,* eds. Enrique Florescano and José Ramón Cossío. Mexico City: Fondo de Cultura Económica. ("Education in Mexico: a challenge for development")

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Dissertation Research Travel Grant, Center for Latin American Studies at Duke University, Summer 2010 and 2009.

Dissertation Fieldwork Award, Program for the Study of Democracy, Institutions and Political Economy (DIPE), Duke University, Summer 2010 and 2009.

Summer Training Fellowship to participate in the Institute for Qualitative and Multi-Method Research in Syracuse University, Summer 2009.

Graduate Conference Travel Grants, Graduate School Duke University, Spring 2009 and 2010.

Summer fieldwork fellowship, Political Science Department, Summer 2008.

Graduate studies fellowship, Duke University, Fall 2002 – Spring 2007.

Graduate studies fellowship, Consejo Nacional de Ciencia y Tecnología (CONACYT), 2002 – 2007.

Fellowship by the Instituto Tecnológico Autónomo de México (ITAM) for Undergraduate Studies 1995-2000.

Fellowship by Teléfonos de México for Academic Excellence (BECA-TELMEX) September 1997 - December 1999.