

Two Kinds of Education Politics

There is not one but rather two kinds of education politics: the politics of expansion and growing enrollments, and the politics of quality and efficiency improvements.

Education is an area that has undergone intensive reform in Latin America in the last decade and a half. Every country in the region has undertaken significant changes in its educational system. Paradoxically, all this activity has occurred alongside a generalized perception that educational change is very difficult to achieve in practice and that some fundamental things have hardly changed at all. Why?

In-depth analysis reveals that there is not one but rather two kinds of education politics. The first involves a group of core policies, dealing with quality and efficiency improvements, that is very rigid and resists fundamental change. The other involves a group of peripheral policies, dealing with expansion and growing enrollments, that is highly adaptable and even volatile: subject to regular—perhaps too frequent—modification.

Understanding why change is difficult involves understanding the main actors, their preferences and time frames, their alignments of interests—and thus the potential for conflict or cooperation—and the arenas where policymaking takes place. It also requires understanding what is distinctive about the policymaking process (PMP) in the education sector, and how that sectoral PMP interacts with the general PMP in a particular country.

The discussion that follows examines six examples of the education policymaking process in four countries: Argentina, Brazil, Chile, and Mexico. One type of policy examined is a core policy, touching the very essence of the political economy of education: the introduction of teacher incentives and evaluation. The other is also fairly widespread across the region but more peripheral, dealing with decentralization.

The discussion helps explain why it is that not every change in the area of education is politically feasible, while showing that some worthwhile changes can take place. They require, as much as in any other sector, if not more, the help of a sound general policymaking process.

Distinctive Features of Education Policymaking: A General Model

In the education sector around the world, providers (teachers) typically are well organized and highly aware of policy decisions that could affect their welfare. By contrast, beneficiaries—consumers of education or, more accurately, their families—are highly dispersed, are usually not organized, and receive little information about what is going on in schools. These asymmetries in organization and information are the starting point of most of the distinctive features of education policymaking. When it comes to govern-

ment action—even the most routine budget allocations or the enforcement of rules, much less policy reforms—interest groups representing teachers find few if any checks on their views and designs.

The political economy of education has several other important features:

Education policymaking in Latin America is biased toward policies focusing on expansion and access rather than on quality and efficiency. This bias means that most policymaking will be about expansion, most of the time.

- There is no overall organizing principle. Education lacks a basic definition that, once made, lends coherence across the system. This sets it apart from other policy areas, such as social security, with its pay-as-you-go principle. It is possible to partially modify particular characteristics of education provision without realigning education policy as a whole. Waves of policy change and reform typically accumulate one on top of another.
- Contracting problems are severe and pervasive. That is, teachers' actions are extremely hard to observe, even by their direct superiors, the school principals or supervisors. School performance is difficult to monitor for both education authorities and parents. The very large size of public school systems—thousands of schools, hundreds of thousands if not millions of teachers, and millions of students—creates severe difficulties in coordination. Thus low-powered incentives are the rule, since there is almost no possibility of distinguishing individual effort and its contribution to the final product. The products of the education process also are not easily measured. Only in the medium and long term, as students grow up and enter the labor force, do the products become truly visible and measurable.¹
- Policy implementation is complex. Implementation usually requires the participation of numerous actors—teachers, principals, students, supervisors, central and subnational bureaucracies, parents—or at least the absence of active opposition on their part. Time-specific and place-specific information is very important for making the system work. Notably, tracking down whether centralized decisions are being carried out in practice is a daunting task.

¹ Navarro (2002).

The combination of these distinctive features has an important political implication. Education systems operate under a constant risk of capture by providers, with regard to teaching and administrative posts and control over key decisions and processes within education organizations, including appointments, disciplinary actions, distribution of perquisites or incentives, training, management, and personnel management systems.

Education systems can avoid or curtail this propensity toward being captured through the operation of a series of countervailing forces. Two such forces are key. The first is a strong State: one that can count on a well-functioning public services regime and that incorporates strong accountability mechanisms. The second is a firmly rooted professional culture that socializes teachers and other important actors into values of proper conduct, high standards of competency, and public-regardfulness.

In Latin America, both of these countervailing forces tend to be weak. Typically, the union will have considerable staying power, while the government tends to have a very short time horizon. Moreover, there is not a sizable corps of public servants with the ability to steer or to preserve long-term policies. A teachers' union is often the largest labor organization in a country, and it has and does exercise the right to strike, with consequences that ripple all the way to the nation's political stability. A history of conflicts has weakened the government's ability to commit to inter-temporal deals with the union, in some cases because current administrations lack the ability to tie the hands of future administrations, in others because previous labor agreements have not been honored.²

Such inability on the part of the State to enter into inter-temporal deals tends to produce education systems with an extreme reliance on rigid rules and institutional definitions that become untouchable and non-negotiable, no matter how much the economic environment of the education system changes. Outstanding among these are what this study calls core policies of an education system in Latin America, namely:

- The public/private market share
- Free public education at all levels
- Absolute job stability and almost unchangeable rules regarding teacher hiring, promotion, and retirement
- Preservation of the nationwide scope—and hence the full bargaining power—of the teachers' union(s).

Not a single case of significant alteration in any of these core policies has occurred anywhere in the region over the past decade and a half.³ Extreme swings in economic circumstances have come and gone without producing modifications in these core policies, most notably unchanging—or even expanding—teacher payrolls during periods of economic adjustment when public employment was contracting and other public sector

² Indeed, pervasive conflict often is at least as much the product of the unchecked power of the unions as it is the direct result of the State not paying salaries or honoring related commitments in due time. The unions strike and win concessions because they can. The State commits itself to things it cannot deliver; when it fails, conflict flares yet again.

³ The exception that proves the rule is Chile, analyzed later in this chapter. It should also be pointed out that the framework presented here assumes business as usual in the PMP. Radical regime changes or extreme undemocratic circumstances may alter some of the core policies.

salaries were reaching an all-time low. As described below, decentralization processes have taken place without nationally organized unions losing their strong unified bargaining position, except for short periods of time.

In contrast with this rigidity of core policies, the relative weakness of the State translates into acute volatility regarding non-core policies, as administrations—or even leaderships within the same administration—change. This applies to such areas as teacher training; design, production, and distribution of textbooks and teaching materials; curricula; integration of technology into the learning process; and an array of education innovations. Here the lack of an organizing principle comes into play by making it relatively easy for any new administration to undertake new programs that overturn former policy guidelines or modify them in some areas without this becoming an ostensible or unsustainable lack of coherence.

Additionally, there is little of a deeply rooted and widely shared professional culture among teachers. Some teachers have been poorly educated in pedagogic institutes of questionable quality and have entered the profession through practices in which all sorts of non-professional criteria have prevailed (whether political patronage or corruption, through the purchase of teaching positions from union officials or other authorities). On the other hand, these teachers are managed by a bureaucracy that tends to be unqualified to manage the education system.

Teachers' unions are the one actor with unquestionable veto power in the education PMP in the region.

Accordingly, if no other significant organized groups stand in the way, as is typical, the unions will have the upper hand in education in Latin America, to the point that they can be described as the one actor with unquestionable veto power in the education PMP in the region.

Before moving ahead, it is time to ask whether there is room for cooperation at all. The picture so far may seem too dark. Here the recent literature on education reforms comes to the rescue, allowing for a more nuanced view. Various studies have pointed out that even though reforms in the 1990s largely aimed at improving quality and efficiency, much of what has been going on has to do with adding capacity—building schools, providing them with furniture and equipment, training more teachers, and so on.⁴ From this generalization, it follows that there is not one but rather two kinds of education politics: the politics of expansion and growing enrollments, and the politics of quality and efficiency improvements.

When an expansion in enrollments is at stake, all parties involved nearly always agree. Parents and children want more education. Teachers and their unions see enrollment expansion as more jobs, and authorities in both the executive and the legislature tend to like the kind of policy that allows them to show their constituencies very concrete results: more children attending school, new school buildings, and the like. International lending organizations also support this type of reform, since expanding capacity involves large investments with relatively tangible products and uncomplicated implementation processes. This type of educational policy and change was typical of the 1960s, 1970s, and 1980s in most countries. It remains widespread and significant in

⁴ Kaufman and Nelson (2004); Grindle (2004a).

all of them. There is even considerable enthusiasm for a novel variety of expansionary policy based not on supply but on the subsidization of demand, such as rapidly spreading cash transfer programs like *PROGRESA/Oportunidades* (Mexico) and *Bolsa Escola* (Brazil), which provide benefits to families conditional on the children attending school.

Yet expansionary steps have proven insufficient in terms of improving the quality of education or encouraging a more efficient use of resources. In the 1990s, this fact generated impatience among modernizing elites concerned about the development prospects of Latin American countries. Embarking on a sweeping wave of economic and institutional reforms, and feeling the pressure of Asian competition in an increasingly global economy, many governments felt the need to act forcefully, not only to expand access, but also to produce reforms that would improve the quality of education systems.

As it turns out, cooperation does not emerge as easily in this type of education policy. Influencing the quality and effectiveness of an education system often means initiating actions that imply a substantial reorganization of teachers' work, through the introduction of incentives, supervision systems, and greater accountability through decentralization or intense parental involvement. Even fixing inequities that remain after across-the-board enrollment expansions, such as attending to excluded populations (the extremely poor or indigenous populations), can cause conflict since this requires redistributive decisions. This can also be the case with reforms in financing that aim to distribute educational spending more fairly, typically taking resources away from previously privileged groups or jurisdictions.

Simplifying a bit, it could be argued that the main policy game played in Latin America over the past 15 years has had two main actors: the unions and the executive. The unions are in a dominant position and have often felt threatened by the reforms typical of this period, not only insofar as the interests of their membership have been affected, but also regarding their own viability and power as organizations. This study identifies the other main player as the executive for a combination of reasons. First, a modernizing and sometimes technocratic team at key ministries, often the ministry of education or the ministry of planning, has always initiated the reforms, which have often moved forward with the backing or even the proactive leadership of the president himself. Second, no other branch of government has exercised leadership. Legislatures have tended to play minor roles, and the judiciary has been almost invisible—in contrast to the prominent role the courts have played in the United States, for instance.

The emergence of proactive executives as forceful actors suggests that the depiction of the education policymaking game as one between a strong union and a weak State may need to be redefined to allow for the case in which education authorities declare education policy a priority for a host of reasons related to growth or equity, and become far more energized players than usual through presidential and technocratic support.

The only other actors of significance that approach the relevance of unions and the executives are subnational power players (see Table 10.1). These regional actors gained considerable influence as education decentralization was being attempted. This influ-

When an expansion in enrollments is at stake, all parties involved—parents, children, teachers, teachers' unions, and the authorities—nearly always agree.

ence extended to many areas of education policy—the structure of the formal education system, the curriculum, and the introduction of innovations and region-specific reforms that later were disseminated nationally—but it reached veto power in the area of whether particular transfers of responsibility for education were actually being made to subnational levels. Other actors—business, the media, and families—have played a supporting role, at best, in some cases.

Summing up, education policymaking in Latin America will be disproportionately biased toward policies focusing on expansion and access rather than on quality and efficiency.

This bias means that most policymaking will be about expansion, most of the time. It also means that a fair share of education policymaking will develop along cooperative lines, since the preferences of the main actors are aligned.

This bias tends to create pressure to address quality and efficiency issues, as it becomes clear for some political, economic, and intellectual elites that expansion alone will not produce quality education, improve the use of resources, or reach those marginalized after massive expansion. Typically, steps to redress quality and efficiency are championed by an executive, elected with a mandate to undertake education reforms. There is no alignment of interests on this type of reform (see Box 10.1). Conflict will ensue, primarily between union(s) and the executive, and regional power players will become involved wherever issues of decentralization are at stake. Moreover:

- Inter-temporal deals are very difficult to reach (mostly given the inability of the executive to commit).
- Lack of effective enforcement mechanisms makes it difficult to monitor any agreement (since other actors such as the judiciary, the legislative, and public opinion tend to be very weak).
- The main actors tend to have starkly opposed ideologies.

Given these dynamics, the main outer features of education policy will be:

- Rigidity in the face of economic shocks, particularly extreme in the case of core policies

Table 10.1 Actors with Veto Power in the Education PMP, Selected Countries

Country	Unions	Executive	Subnational
Argentina	x	x	x
Bolivia	x	x	n.a.
Brazil	x	x	x
Chile	x	x	n.a.
Colombia	x	x	x
Ecuador	x	x	n.a.
Mexico	x	x	x
Nicaragua	x	x	n.a.
Uruguay	x	x	n.a.
Venezuela	x	x	x

n.a.: Not applicable.

Source: Authors' meta-analysis of the literature on the political economy of education in Latin America during the 1990s.

Box 10.1**The Preferences of the Main Actors in the Education PMP**

The three actors with veto power in education policymaking have complex preferences. These preferences are presented below in order of their approximate intensity (meaning, for instance, that if a union has to choose between more jobs and job security for those teachers already employed, it will tend to prefer the latter).

Executive: Improvement of education as part of larger modernization and development agendas, maintaining overall political stability, use of the education payroll as a channel of patronage, votes, keeping budgets under control. Short-term horizon. Modernization, efficiency-oriented ideologies play a role.

Unions: Job security, more teaching positions, control over appointments and functioning of the education system (capture), preservation of nationwide bargaining power, better salaries. Long-term horizon. Labor and Leftist ideologies are often present.

Subnational players: Creation and/or expansion of opportunities for patronage, votes, avoidance of unfunded mandates and constraints on discretionary spending, improvement of local economy in a context of interjurisdictional competition.

- Lack of stability in policies in light of short-term political changes (electoral shake-ups, cabinet shuffles), particularly in non-core policies
- A tendency to leave a great deal to be determined at the implementation stage, given the involvement of so many bureaucrats, schools, teachers, and families.

Given the nature of the players and the game, absence of cooperation, or open conflict, tends to occur in a limited set of arenas. The most common arena is direct and private negotiations between the executive and the union(s), which this study refers to as occurring “behind closed doors.” It is characterized by a low level of public accountability and the exclusion of any other stakeholder. In decentralized settings, subnational power players are allowed behind the closed doors. More accurately, coordination among levels of government can become a primary arena for conflict.

Not surprisingly, this kind of arena often is unable to keep conflict confined. Conflict spills over to “the street” in various degrees of intensity, ranging from simple strikes to events that disrupt the civil and political order. Finally, given the importance of implementation in education policy, the “street-level bureaucracy” becomes the fourth key arena where conflicts are played out. This refers to the legion of teachers, school principals, and supervisors who in the end exercise a great deal of control over what happens in schools and within classrooms, which constitute the end delivery point of education services.

Education Politics and the General PMP: Some Examples

Having characterized the education PMP, it is time to turn to specific episodes of policymaking that illustrate and provide nuance to the model. Argentina and Mexico went through an ambitious decentralization of their education systems in the 1990s, and also attempted to introduce teacher incentives. Brazil had decentralized its education system by the early 1990s, but the system was widely recognized to be deficient and unable to tackle extremely serious deficits in educational outcomes. Thus in the mid-1990s Brazil undertook a radical overhaul of the status quo in matters of decentralized financing and the distribution of responsibilities among levels of government—although it made no nationwide attempt to introduce incentives for teachers. This type of incentive is the focus of the last case in the chapter, which looks at Chile.

Mexico: Decentralization

In 1992, negotiations between the executive (the president and minister of education) and the teachers' union produced the National Agreement for Modernization of Basic and Normal Education (known as ANMEB, for its Spanish-language initials). This agreement dictated that the education system in Mexico would become decentralized, and state governments would begin to assume direct responsibility for providing public education to 13 million primary and secondary education students.

ANMEB was advanced as a remedy for excessive centralization of the Mexican education system, regarded as the main source of its deficient coverage and poor quality. Yet another important objective of the initiative was to curb the power of the teachers' union, the SNTE.⁵ The SNTE is in a league of its own when it comes to general political

Core policies were threatened by the initial proposal—but in the end left untouched.

influence and control over the education system, even by the standards of Latin America. By the early 1990s, it had successfully defeated several other decentralization initiatives and had co-opted a deconcentration policy. The SNTE had considerable control over appointments to teaching positions and a significant share of administrative positions in the education system. Its financial position was secure, thanks to mandatory membership

fees, and its monopoly was enshrined in a law barring competing unions. Its close association with the long-term governing party, the *Partido Revolucionario Institucional* (PRI), translated into political positions in the administration for union members and a non-negligible share of seats in Congress. A public-regarding, modernizing presidency would likely see such power as part of the problem rather than a solution.

The ANMEB was presented to the SNTE as an all-or-nothing package.⁶ That the union took the deal says something about the capacity of a strong, competent, and committed executive to move forward even in the face of opposition from such a powerful

⁵ See Hanson (1997); Grindle (2004b).

⁶ Grindle (2004b).

actor. That this did not happen before the proposal was modified to allow the SNTE to emerge as a winner in many significant respects shows that, in terms of the framework, the union exercised its veto power.

Why did the executive succeed this time, where previous administrations had failed? By 1992, and in contrast with 10 or 15 years before, some governorships were in the hands of opposition parties.⁷ With the federal executive's proposed transfer of responsibilities at stake, subnational governments were allowed behind the closed doors, where they expressed their support for decentralization. While this was not enough to tailor the entire initiative to their preferences, it was good enough to tilt the balance in favor of the view that the time had come to correct the excesses of centralization and open the door to better accountability and more diversity in the education system.

The semi-corporatist structure of the Mexican political system played a direct role in preventing discussions about the policy initiative from spilling over to the streets. SNTE was also a section of the PRI, the party in power. The president and the minister of education were prominent party figures, and the party had an overall interest in political stability and in not letting the conflict emerge from behind the closed doors. Once the governors were let in and the agreement was reached, the necessary legislative reforms passed congress in a matter of days, even modifying an article of the constitution.

As for the SNTE, core policies were threatened by the initial proposal—but in the end left untouched. Most notably, the union's nationwide bargaining power was preserved. To this day, salary negotiations occur through meetings between representatives of the SNTE in Mexico City and representatives of the secretary of public education. In addition, the monitoring and enforcement mechanisms of the decentralization process were left weak, leaving critical details to be worked out in regard to decentralized financial arrangements and coordinating education policy between the states and the federal government.

Mexico: Teacher Incentives and Evaluation

The initiative that led to the ANMEB was bundled with an innovative program aimed at linking teachers' remuneration and promotions to performance. This was a radical move, given that no such provision had ever existed, and it affected a core policy. Although the program, *Carrera Magisterial*, also sought to intensify teacher training,⁸ its merit pay component presented the strongest potential for conflict.

Teachers' unions have opposed pay for performance incentives all around the world. Mexico in the 1990s was no exception. Generally, teachers' unions strongly prefer across-the-board salary raises that benefit all their constituencies. Salary improvements that

⁷ Lehoucq and others (2005).

⁸ Teacher training, particularly in-service training, probably has been the only policy directly aimed at improving teaching with respect to which the preferences of unions and the executive are fully aligned. It is hardly surprising that for a long time, and beyond its intrinsic benefits, it has been one of the most common components of education plans that have remained silent regarding other fundamental issues, such as pre-service training, incentives, licensing, or mechanisms regulating recruitment and entry into the profession.

benefit only a subgroup of members cannot plausibly be claimed as the product of the union's own lobbying and negotiation, opening the way for teachers to conclude that their remuneration is not mainly a function of the union, but rather of their individual or team effort.

The union's approach was not to oppose the performance evaluation reform head on, but rather to make sure that it would stay under its control and acquire features that would prevent any substantive impact on core policies.

This noted, it is important to recognize that the design of an efficient teacher incentive program is plagued with serious agency problems. It is not easy to separate the contribution of different teachers to the learning process of a student. Moreover, teaching is an important input to learning, but not the only one, and the product is difficult to measure, particularly in the short term. In this sense, union opposition rests on plausible economic and educational arguments that have strengthened opposition to merit pay.⁹ Moreover, in Latin America, the widespread use of the teacher payroll for political patronage adds to the mistrust of any system that enlarges administrators' discretionary power regarding teacher salaries.

The SNTE approach was not to oppose the performance evaluation component of *Carrera Magisterial* head on, but rather to make sure that, once adopted, it would stay under its control and would acquire features that would prevent any substantive impact on core policies. Once again negotiations occurred behind closed doors. Open conflict was not in the interest of any of the veto players, given that the union was affiliated with the PRI, and it was a PRI government that was trying to introduce reforms. In its initial period in 1993, the *Carrera Magisterial* program mandated the use of performance as only one of several criteria to assess salary increases for individual teachers—35 points out of 100 on a scale in which seniority and formal education still retained the most important weight. Even though the relative weight of performance has since increased, to this day the program works under a joint committee in which the SEP and the SNTE have parity representation.

Over the years, *Carrera Magisterial* has benefited more than 700,000 teachers. Given that it is massive, and that it produces permanent salary increases rather than one-time bonuses, it has come to resemble an entitlement rather than an incentive proper. Until 2001, the federal government allocated an amount to each state and the state government was responsible for deciding who would get the award. In practice, the state government allocated as many awards as funds would allow, starting with teachers at the top of the scale. This meant that the cutoff point was not a standard of performance but was dictated by the availability of funds in a particular state for a particular year. SNTE's considerable degree of capture of state education administrations made sure that the implementation of the instrument remained in union hands for all practical purposes.

Generalizing from these episodes, the extreme political leverage of the teachers' union has led the education policy process to dictate some important features of the larger policymaking process in Mexico. The SNTE has become a major power player in

⁹ Navarro (2002).

congress and in most large-scale political negotiations, beyond education issues. Conversely, this episode also illustrates how larger features of the Mexican policymaking process have influenced the way education conflict has played out. This is particularly clear in the way the corporatist structure of the political system has affected the “choice” of arenas for conflict. The fact that the union did not go to the street despite the radical nature of the proposals advanced by the executive is closely related to the fact that conflict was taking place between a PRI administration and a PRI union, which had conflicting preferences on education policy but a joint interest in party unity and overall political stability. The newly elected opposition governors may also have tipped the SNTE strategy toward accommodation and co-optation as opposed to outright rejection of reforms.

Argentina: Decentralization

In August 1989, the Menem administration announced that decentralization would be the centerpiece of its education policy. A first decentralization bill was introduced in 1990 but remained dormant in the congress. This changed drastically with a change in the minister of finance in early 1991.

The executive viewed decentralization as a way to unburden the federal government of responsibility for education spending. A 1991 law stipulated the transfer of responsibility for secondary education to the provincial governments; primary education had been transferred in 1977. It dictated that there would be no specific additional

transfer of fiscal resources from the federal to the provincial level, so the functioning of the education systems would have to be financed out of each province’s own resources.

The governors and the unions immediately opposed the proposal. Governors rejected the proposition of proceeding with the transfer of responsibility without any accompanying transfer of resources. The national federation of unions, CTERA, clearly saw the threat decentralization could pose to its national bargaining power—not nearly comparable to the power of the SNTE in Mexico. Yet it was unable to mobilize a coherent opposition in the face of an administration at the height of its popularity, given the fresh success of the convertibility plan. In the end, the only significant modification to the original decentralization proposal was a guarantee of a minimum level of federal contributions to provincial education spending.

The process of decentralization was completed by a 1993 law. Again the executive took the initiative, and this time the bill sent to congress threatened several core policies. CTERA, now stronger, succeeded in eliminating those threats. Although the new law was approved, it was stripped of any mention of school autonomy or tuition fees, or any emphasis on private education. Governors joined the coalition against the proposal.

The arena in which the conflict was played out was clearly affected by the characteristics of the larger PMP in Argentina.¹⁰ The close ties between governors and senators,

Provincial unions delayed, co-opted, or impeded the execution of the most basic mandates of the new legislation.

¹⁰ Spiller, Stein, and Tommasi (2003).

given the electoral rules, led senators to initiate a counter-proposal that was the polar opposite of the executive's proposal. From then on—unusually for the education policy-making process—congress became the main arena for negotiations until the compromise bill, stripped of threats to core policies, was approved. The provinces were also satisfied with investment guarantees, as well as with a strong mandate in the law to activate the Federal Council of Education, whereby the federal minister of education and his provincial counterparts would jointly consider the main decisions of the education system.

After 1993, Argentinean schools were in the hands of the provinces, which administered and paid for day-to-day operations and were responsible for paying teachers' salaries. The federal ministry remained in charge of assessment, curriculum design, and large infrastructure investment. Provinces' incomes, however, originated largely in direct transfers from federal tax receipts, creating substantial fiscal imbalances.¹¹ The structure of the school systems and curricula were considerably modified. The structural reforms and the adoption of new content became a responsibility of the provincial ministries of education.

The shift to the provincial level also led to a shift to provincial union activity. As the implementation phase began, the most active arena of education policymaking in Argentina for over half a decade became the street. CTERA's strong opposition to decentralization on many grounds, including ideological ones, translated into vigorous opposition by provincial teachers' unions to the implementation of the 1991 and 1993 laws. Provincial unions delayed, co-opted, or impeded the execution of the most basic mandates of the new legislation. The result, by the end of the decade, was a mosaic of structures across provinces, in degrees that ranged from full implementation to none at all.¹²

Argentina: Teacher Incentives in Name Only

As the end of the decade approached, labor unrest among teachers was on the rise. While fueled by opposition to decentralization, the main determinant of such unrest lay in the fiscal crisis of the provinces. The economic downturns of 1995 and 1999 hurt the provinces' ability to keep pace with the expansion in enrollments, leading to all sorts of measures aimed at salary reductions—or even nonpayment.¹³ Strikes flared and many days of school were lost.

The national executive argued that salaries were a provincial responsibility, and that the federal government was fulfilling its commitment to invest heavily in infrastructure and special programs that provided strong support for the provinces. Although formally correct, the executive's position was unable to prevent the conflict over teacher salaries from spilling out to the street and the national stage. In April 1997, groups of teachers, with the support of CTERA, started a public demonstration across the street from the building of the national congress, setting up a White Tent in which teachers took turns in a vigil, declaring their unwillingness to leave until their salary grievances were

¹¹ Tommasi (2002).

¹² Rivas (2004).

¹³ Kweitel and others (2003).

resolved. The White Tent proved effective in creating and sustaining political pressure on the executive and it won widespread public support. The ministry of education broke with the official position of the finance ministry, declaring openly by the end of 1997 that teachers were not well paid.¹⁴

Then came a policy proposal, the *Fondo Nacional de Incentivo Docente* (FONID). In previous years, the ministry had been exploring the idea of creating some pay-for-performance mechanism in the form of a special fund that the federal government would transfer to the provinces.

After the White Tent campaign started, the unions and the provinces stepped up their pressure on the federal government to do something about teacher salaries. The ministry of education proposed a supplement to salaries paid by regional governments. After rapid debate in the Federal Council of Education—including the participation of CTERA and other prominent teacher unions—a law was passed by the end of 1998 creating the FONID. By then the idea of pay for performance was nowhere to be seen. The provinces were granted large transfers, to be distributed equally to teachers as an entitlement, to supplement their regular salaries. The substantial amounts involved made it difficult to win support from the ministry of finance. In the end, it was won over by stipulating that the FONID would be financed through the proceeds of a newly created tax, to be paid by motor vehicle owners, an episode revealing the strength of the actors involved in the education PMP.

This strength proved to be limited, however, when the executive, facing imminent public protests by the transportation sector, eliminated the tax. In 1999 the new De la Rúa administration came to power and managed to convince the CTERA that the White Tent should be taken down—after 1,003 days—in exchange for the executive's commitment to finance the incentive out of the general budget for at least two years.

The consequence of the whole episode was not to eliminate or reduce the FONID, but rather a commitment by the federal government to pay for a new entitlement for teachers. To this day, the need to pay for FONID has had two major effects: an endemic threat to the overall fiscal situation of the central government and considerable distortion in education spending, since the federal government has had to cut investments in such areas as infrastructure and teacher training to amass resources to finance FONID. The federal government, in the act of creating FONID, accepted the principle that teacher salaries were a shared responsibility of the provinces and the national government, thus reversing one of the main themes of the decentralization process at the start of the decade.

The financial arrangements worked out after 1991 proved unable to withstand economic downturns. As soon as the federal government faltered in its fiscal transfers to the provinces, the budget situation of the provinces, by now spending around 25 percent of their resources on education, worsened—in some cases to the point of collapse.¹⁵

The consequence of the whole episode was the creation of an ongoing source of contention between the executive and the unions.

¹⁴ Corrales (2004).

¹⁵ Tommasi (2002).

From a political economy point of view, the most important outcome of the combination of a fiscally distorted decentralization process and a short-sighted response to labor unrest was the creation of an ongoing source of conflict between the executive and the unions whenever payments have not been made on time. Disputes involving FONID—calculating it, distributing it, reauthorizing it, financing it—have become a major focus of policymaking in Argentina. This constitutes a prime example of the functioning of the education PMP spilling out to create conflict and distortions in the larger PMP at the national level.

Brazil: Fixing Decentralization

The Brazilian education system had been considerably decentralized for decades when the Cardoso administration was inaugurated in 1995. At the time, Brazil's poor educational performance was becoming a major focus for modernizing elites pushing for economic and public sector reform. Extreme regional inequalities and widespread political patronage characterized the education system and constituted major obstacles for any serious program aimed at improving its equity and quality.

FUNDEF, which set a nationwide minimum expenditure per student, was one of the most consequential education reforms introduced in Latin America in the 1990s.

The Cardoso administration assembled a technocratic team, headed by the minister of education, that set out to transfer specific programs to states and municipalities, as well as to build capacity at the level of the federal ministry to design and manage effectively what would become an ambitious reform program. The cornerstone of the reform was the creation of a fund, FUNDEF, that redefined the organization and financing of decentralized education in Brazil, together with two major education measures approved by congress in late 1996.

FUNDEF had less to do with the amount of resources dedicated to education and more to do with the distribution of existing funds. Indeed, the reform of financing was seen as a precondition for more ambitious reform. The constitution required states and municipalities to spend 25 percent of revenues on education, yet there was very wide variation among them in terms of per student expenditures. Teacher salaries and training were unregulated, leading to great variation across regions and levels of government. Little correspondence existed between the sharing of tax revenues among states and municipalities and the sharing of responsibilities for education.

FUNDEF set out to address these issues by setting a nationwide minimum expenditure per student (primary level only), regardless of schools' governance structure (state or municipal). If a state could not meet this minimum, the federal government was required to make up the difference. By equalizing and stabilizing primary school spending across Brazil, and by creating incentives for subnational governments to include rather than exclude children, FUNDEF was arguably one of the most consequential education reforms introduced in Latin America in the 1990s.

Between 1998 and 2000, annual per student spending increased significantly nationwide and enrollments shot up.¹⁶ More students found their way into the secondary level, which in turn led to a considerable expansion of secondary education down the road.

FUNDEF also had an important redistributive effect. It effectively redistributed resources away from relatively wealthy state-level schools toward poorer municipal schools. As federal resources compensated states falling below minimum standards of expenditure, inequities among states were reduced. Teachers' salaries improved as well.

How could such a consequential reform have been adopted and implemented, especially since creating FUNDEF required reforming the constitution? First, the Cardoso reform did not directly touch any core policy. Job stability, hiring and firing rules, unionization, and private/public market shares were not affected by either FUNDEF or the new education legislation. The only provisions affecting the interests of teachers were fully aligned with state union preferences: more training and higher salaries.

Second, Brazil, alone among Latin American countries, lacks a nationally organized teachers' union of political significance. Teacher unionism is alive and well at the state level, but the federal government does not face anything in the same league as SNTE, CTERA, or FECODE in Colombia.

Yet much of the reason why FUNDEF passed congress in less than two weeks can be found in some general characteristics of the Brazilian PMP. Particularly relevant is the power of the presidency in Brazil with regard to the legislature.¹⁷ Unlike in Argentina, Chile, or Mexico, political parties in Brazil are relatively fragmented and their composition and loyalties in congress are fluid. Beyond this, the line-item veto puts the president in a position to win the support of members of congress far beyond his own party. With the veto, he can secure (or deny) investments in public projects in particular electoral districts that critically affect members' chances for reelection. In Brazil, in contrast with Argentina, this power tends to supersede the control that governors and other regional power players have in securing nominations for congressional seats. It has led to the curious extreme of relatively easy constitutional reforms, a distinctive feature of the Brazilian PMP.

The government proposal of FUNDEF conflicted with some preferences of governors, notably taking away considerable discretionality from state governments. The most economically developed states stood to be forced to reduce funds for their spending priority, secondary education, while the poorer jurisdictions would be forced to provide primary education at levels they had not been willing or able to do before.¹⁸

Yet not only was there no noticeable opposition from unions, there was also no open conflict with governors before the measure was adopted—less than one month after its introduction in congress. The executive secured early support for the measure from two important education regional power players, the CONSED (National Council of State

¹⁶ Draibe (2004).

¹⁷ Alston and others (2005a).

¹⁸ Draibe (2004).

Secretariats of Education) and the UNDIME (National Association of Municipal Education Directors), which played a role in neutralizing opposition from governors.

The FUNDEF was stipulated to begin operations in early 1998. In 1997, opposition spilled out to the street through union opposition in some states such as São Paulo and vocal complaints from state legislatures and governors about the fund's implications. Significantly, they did not amount to much, and did not turn into grassroots resistance from the street-level bureaucracy. Thus implementation, once started, was not undermined.

Currently, there is widespread consensus in Brazil about the benefits of FUNDEF. It has, in combination with the subsequent education law, considerably improved coordination of education policy among levels of government. The episode that led to its adoption seems to present a counter-example of easy education politics, as well as an example of public-regarding, welfare-enhancing educational policies. As previously explained, however, only the combination of some particular characteristics of the general Brazilian PMP, notably the fact that it allows for "easy" constitutional reforms, and a particular characteristic of the education PMP, that it lacks a strong nationally organized teachers' union, explain much of the outcome.

Moreover, even in this "easy" case of reform, the strategy of the executive was to create an important source of rigidity in the system: the imposition of a fixed rule across the immensely varied fiscal and educational landscape of Brazilian states. On top of this, the fact that the reform was the first of its kind, well prepared both technically and politically and rushed through congress, meant that potential opposition was "surprised" and had little time to react. By contrast, plans by the Lula administration to enact a new FUNDEF for secondary and/or pre-school education have faced stronger resistance precisely because state governments are now aware of the possible consequences of such measures for their spending discretionality.

Chile: Exception to the Rule? The Introduction of Teacher Incentives

In 1996 the Chilean government successfully put in place a nationwide incentive pay system for teachers, known as SNED (*Sistema Nacional de Evaluación del Desempeño Do-*

cente). The teachers' union initially resisted this development, yet ultimately proved unable to block it. This achievement stands out as the only significant exception to the rule that education systems in Latin America do not change some core policies closely aligned with the interests of teachers' unions.

Chile certainly has a nationwide teachers' union (the *Colegio de Profesores de Chile*). This organization is a major player in education policy, as is typical in the region. Much of the policymaking process revolves around nego-

tiations in which the only parties involved are the executive and union leaders. Generally speaking, the union has opposed the highly activist and reformist education policy developed by the executive during the past decade and a half, most of which has focused on improving the quality and efficiency of education in the country.

The executive undertook a sustained series of steps that led to the building of trust and predictability in the relationship with the teachers' union.

The original and long-lasting source of antagonism between the union and the executive, once a democratic order was reestablished in 1990, was the decision made early on by the leaders of the ruling coalition (the *Concertación Democrática*) to preserve two key features of education reforms introduced by the former dictatorship: the transfer of public schools to municipal administration, and the voucher system that allowed for a drastic expansion in the market share of private schools in the 1980s.

At the same time, the new democratic administration made the equally key decision to re-create a teacher statute, the special labor regime that had been abolished by the authoritarian government. This measure was highly favored by the union and its constituency. It granted them the tenure, status, and benefits that had disappeared when their labor contracts were placed under the jurisdiction of mainstream labor legislation under the Pinochet regime. Crucially, this statute reestablished their nationwide bargaining power in salary negotiations with the executive.¹⁹

This decision was also controversial. From the standpoint of many in the opposition and even within the coalition government's political parties, it undermined a key feature of the model that aimed to produce stronger incentives for teacher performance. Even more importantly, it threatened to disrupt the ability of municipalities to maintain their fiscal balance by forcing them to incur payroll commitments that were not backed by their own financial resources.²⁰

From the perspective of the policymaking process, however, it marked the beginning of a sustained series of steps on the part of the executive that led to the building of trust and predictability in the relationship with the union. Given that it is just this kind of lack of mutual trust that characterizes education policymaking across the region, the importance of this development cannot be underestimated. It was paramount to ensuring the political feasibility of the nationwide incentive pay system (SNED) several years down the road.

The trust-building process was a foundation for the avoidance of open conflict, a distinctive feature that has characterized education policymaking in Chile since 1990. The building of trust had other important components far beyond the original reenactment of the teacher statute:

- A particularly important part of the story also concerns the sustained increases in teacher salaries that started immediately after democracy was restored and have continued to this day—far beyond the date of the adoption of SNED. Such an unbroken long-term upward trend in teacher pay has no parallel in any other

¹⁹ The first minister of education of the post-dictatorship period, Ricardo Lagos, openly recognized this step as an important component of a political compromise between unions and the executive: "I gave priority to the teachers, since they were concerned about a teacher statute. The Statute for the Professionals of Teaching, as much as other examples of the education policy of the *Concertación Democrática*, represented an appropriate equilibrium between continuity and change" (Espínola and de Moura Castro, 1999, p. 46).

²⁰ The adoption of the statute led to the anticipated fiscal shortfall in many municipalities, eventually forcing the national government to supplement teacher salaries, further undermining the voucher system. Some corrective measures were eventually adopted, starting in 1995. For details of the politics of this phase of education policymaking in Chile, see Angell, Lowden, and Thorp (2001).

country in the region. Earnings for Chilean teachers doubled, on average, between 1990 and 1997, quadrupling the average increase in salaries for workers in the private sector and outstripping those for other public sector employees.²¹

- More generally, many of the education programs initiated by the executive starting in 1990 aimed to enhance the skills and working conditions of teachers, as well as the social prestige associated with the profession.
- In addition, no matter how much education policy in Chile focused on quality, considerable expansion was taking place as well. Secondary education enrollments were growing rapidly. As a byproduct of several new programs that were more “teacher intensive,” more teachers per students were needed, leading to a 10 percent increase in the teaching workforce in the early 1990s. As noted, better salaries and more teaching positions are areas where the preferences of the union and the executive align.²²

Despite the general betterment in the condition of teachers, union opposition to many quality-enhancing reforms continued. Yet teacher strikes led to the loss of only 26 days of classes between March 1990 and March 2001; recourse to the street as an arena for conflict was exceptional.²³ Union opposition took the form of public statements made by union leaders and intense horse-trading at the bargaining table at the time of major contract negotiations with the executive—but it always came with a sizable dose of cooperation.

This mix of opposition and cooperation was evident in the process surrounding the establishment of the nationwide incentive pay system (SNED). The proposal was introduced in 1996, in the aftermath of the endorsement, by all political parties, of the “Framework Agreement for the Modernization of Chilean Education,” a groundbreaking report produced by the National Commission on the Modernization of Education appointed one year earlier by President Eduardo Frei, Jr. The report formalized a widespread political consensus regarding the top priority that educational development should have in both public and private efforts in Chilean society. As one of a very short list of priorities, the report specified the need to strengthen the teaching profession. The commission issued the report after extensive consultation across the political spectrum. Significantly, the teachers’ union was reluctant to get involved in the consultation phase, yet in the end endorsed the report. The strong pressure the leadership of the union felt not to be left isolated from the rest of the political forces in play led to this endorsement.²⁴

Against this backdrop of solid presidential and multi-party support, the ministry started negotiations with the union. At stake, to begin with, was the salary increase that

²¹ Mizala and others (2002).

²² Underlying this expansionary policy is the fact that public expenditure on education also was growing in Chile in the 1990s. So was private funding for education, a non-negligible issue, given that the share of private schools in primary and secondary education in Chile is exceptionally high: nearly 40 percent of enrollment. The prosperity of the Chilean economy during this period represents the best possible economic prerequisite for such an expansion to occur and be sustained.

²³ Cox (2003).

²⁴ Núñez (2003).

had become routine at every round of contractual negotiations. But the executive actually offered far more than routine salary raises. In exchange, it demanded substantial concessions on the union side. Both turned out to be impossible for the union to refuse. First, the executive insisted on some flexibility regarding certain aspects of the teacher statute approved in 1991. This was intended to give municipalities breathing room to better plan and manage their education budgets. Notably, this implied slightly backtracking from the 100 percent tenure protection granted by the 1991 statute. Second was the introduction of merit pay.

Remarkably, SNED was then created, with the reluctant acceptance of the *Colegio*. It has continued to be implemented. Public opinion research clearly indicates that teachers, once they have experienced the system, become more receptive to the idea that some kind of performance review is legitimate. The trust built into the education system by a long succession of policies over the previous six years, as well as the generalized political consensus created around significant policy reforms, had paid off. In this process, the union was relegated to the exercise of a vocal opposition—which risked isolating it politically. Moreover, as teachers continued to enjoy visible improvements in their living and working conditions, continuing opposition by union leaders would have risked alienating the leadership from its membership base.²⁵

Several other factors were also important. From a technical standpoint, the merit pay proposal put forward by the administration in Chile reflected an elevated degree of awareness of the serious incentive and contracting problems that had been impeding effective performance incentives for teachers.²⁶ From the beginning, the plan was designed and later implemented as a “team incentive,” payable to all teachers in a particular school, rather than as an individual payment to a particular teacher. It established a complex yet workable series of criteria according to which performance would be established, including groupings of schools. For instance, each school was to be compared to others in similar initial conditions, and estimates of value added, rather than absolute progress in student learning, were used. The approach taken reflected the best research available on incentive regimes for teachers. And it effectively turned the system into something teachers could relate to, since it accommodated many of their concerns regarding evaluation of their performance.²⁷

The second factor has to do with the overall characteristics of the public policymaking process in Chile after democracy was restored. The Chilean PMP is a system with exceptionally strong presidential agenda-setting powers and many veto players, in which policies must pass through prolonged negotiations and concessions to be enacted.²⁸

²⁵ Opinion polls taken at the time consistently show a significant degree of support for education reforms among the teachers (Núñez 2003). This seems to support the observation made by several ministers of education from the period regarding their ability to establish a direct dialogue between the ministry and the base of the union, rather than only with its leadership, as one of the keys of the success in adopting reforms (Espínola and de Moura Castro 1999).

²⁶ Delannoy (2000); Navarro (2002).

²⁷ For a detailed description of the technical aspects of SNED, see Mizala and others (2002).

²⁸ Aninat and others (2004).

Once those policies are enacted, however, the Chilean PMP tends to produce very stable and credible arrangements.

This stability in turn becomes a key tool in the negotiation of long-term deals. The enforcement of such deals is aided by the institutionalization of political parties. In a context such as this, education policymaking stands out as an area in which sector-specific investments have been made in order to rebuild a political environment in which complicated inter-temporal deals affecting core policies could be struck between the executive and the union. Yet it also must be seen as part and parcel of a larger PMP that has provided the right environment for trust-based politics to grow. Serious differences of opinion between the union and the executive existed in Chile during the extraordinary period of reforms. The PMP of the sector mirrored the larger PMP of the country in allowing for a constructive resolution of those differences in the form of stable and public-regarding policies.

Conclusion: The Joint Dynamics of the Education and National PMPs

Amidst a highly varied landscape of situations and institutions in different countries and a variety of policymaking episodes, some underlying threads of coherence in education policymaking can be found:

- The key veto players are teachers' unions, the executive (in particular, the modernizing or "impatient" executive), and regional power players. Other players are relatively minor.
- Each of these players has a particular structure of preferences that goes from almost full alignment when it comes to the expansion of coverage to acute conflict in education policies oriented toward improving quality or efficiency.
- Agency problems are pervasive. Moreover, it is generally difficult to strike inter-temporal deals. Thus, even when transcendent policy changes are accomplished, they institute new rigidities, rather than increase adaptability.
- A clear distinction exists between core and non-core policies. Core policies are only rarely challenged and never actually reformed. Non-core policies are susceptible to change, to the point of volatility. The differing fortunes of policy reform in the case of these two types of policies result from an underlying difficulty in reaching long-term deals between veto players in the education PMP. The only exception found, the introduction of teacher incentives in Chile, is closely related to an exceptional PMP in which such difficulty has been counteracted by a series of investments in trust and enforcement mechanisms.

Finally, this discussion has shown how the outcome in each episode reviewed must be seen as the combination of the specifics of the education policymaking process in action with the influence of the general policymaking process of each country at hand. The relative strength of the executive with respect to congress, the degree of articulation between unions and political parties, the importance of regional elites, and other funda-

mental pieces of the general PMP differ from one country to the next because of a host of institutional and historical factors. These features clearly interact with the peculiar politics of the education sector to produce certain outcomes.

The evidence reviewed indicates that the general PMP affects three key aspects of the education PMP. The first is the selection of the arena(s) in which conflict will play out. The second is the likelihood that reforms or policy changes will actually be adopted. The third is the likelihood that—and the avenues through which—education politics will transcend and affect the country's general PMP by escalating conflicts, creating large fiscal imbalances, or generating political actors that move beyond the boundaries of the education sector and become contenders on the national scene.

