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ALLISON M. ROWLAND

**A Comparison of Decentralization and
Subnational Government in Mexico
and the United States**

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Tel. 5727•9800 exts. 2202, 2203, 2417
Fax: 5727•9885 y 5292•1304.
Correo electrónico: publicaciones@cide.edu
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Abstract

This document was written as one of two introductory chapters for a collection of case studies on subnational government for students of public policy and public administration in Mexico and the US. Their objective is to provide the comparative background information necessary to understand the current dilemmas facing government, as presented in the case studies, as well as to analyze the distinct options for resolving these issues. The basic argument of this chapter is that while subnational governments in the US have traditionally enjoyed a wider scope of action and responsibility than their Mexican counterparts, both systems have moved toward greater decentralization since the 1980s. The chapter closes with a comparison of the public primary school systems in each country, to give the reader a clearer idea of how the differences discussed throughout the text play out in practice.

Resumen

Este documento conforma uno de los dos capítulos introductorios de una colección de estudios de caso sobre gobierno subnacional. Éstos han sido escritos para estudiantes de administración y políticas públicas tanto en México como en los EEUU. Su objetivo es brindar el contexto comparativo necesario para entender los dilemas actuales que enfrenta el gobierno, tal y como se presenta en los estudios de caso, así como analizar las distintas opciones para resolver estos asuntos. El argumento básico del presente capítulo es que mientras los gobiernos subnacionales de los EEUU tradicionalmente han gozado de un mayor rango de acción y responsabilidad que sus contrapartes mexicanos, los dos sistemas se han vuelto más descentralizados desde los años ochenta. El capítulo finaliza con una comparación de los sistemas de educación básica en cada país, para dar al lector una idea más clara de cómo las diferencias discutidas en el texto se manifiestan en la práctica.

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Acknowledgement

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Decentralization and Federalism

The presence of autonomous units of subnational government is the defining characteristic of federal systems. However, as the accompanying chapter argues in greater detail, the actual level of centralization or decentralization of the functions and powers of government can vary widely, not just among federal countries, but within a single country over the course of its history. The present chapter takes a closer look at the recent tendency toward greater decentralization in Mexico and the US. Special attention is given to the comparison of subnational governments, which have been the recipients of new powers and responsibilities as a result. The final section of the chapter considers one particular sector—education—to provide a better sense of how these differences in levels of decentralization and types of subnational governments play out in practice in each country. First, however, comes a discussion of definitions of centralization and decentralization, as well as the patterns of each country in this regard in recent decades.

Measures of Centralization and Decentralization

Levels or degrees of decentralization can be compared among countries in demographic, economic, political, and governmental (or administrative) terms, although these variables tend to be highly correlated among each other within a single country. Governmental decentralization—in essence, a shift in the locus of decision making on public matters from national to subnational units of government—has become a widespread policy prescription in recent years. It is clear that in terms of both cause and effect, governmental decentralization cannot be completely separated from other aspects of national life, and that established trends in all of these measures are difficult to reverse. Thus, while Mexico has traditionally tended toward centralization in almost all the indicators mentioned above, the US is markedly decentralized. Regardless of their points of departure, both countries have moved toward greater decentralization in governmental and administrative terms in recent decades, with states and local governments taking on increasing levels of responsibility within their jurisdictions.

Demographic and Economic Measures

Since the first decennial census in the US in 1790, population was evenly divided between the northern and southern regions of the country. As the country's territorial limits expanded to the west, population growth followed fairly steadily, so that by 1890 the Northeast region was home to 27% of the

population, the South to 32%. A full 35% of the population lived in the new Midwest. This trend continued over the next century, with 20% of the population in 1990 remaining in the Northeast, 34% in the South, 23% in the Midwest, and the final 20% in the West (US Census Bureau, 1990a).

In contrast to this pattern, Mexico's population has always been concentrated in the Central-West, Central, and Southern regions. Much of the North—a vast desert region shared with the southwest US—has been only sparsely populated. According to the earliest available data, in 1895, 37% lived in the Central-West, 21% of the population lived in the Center and 25% in South, while only 14% in the North. A century later, in 2000, the Central-West population had decreased substantially in relative terms (to 23%) and the South slightly (22%), while concentration in the Center had increased to 30% and the North had come to represent 22% as well (figures derived from INEGI 2003). Indeed, as the country urbanized and industrialized from about 1930 to 1980, demographic growth increasingly centered on the Mexico City Metropolitan Zone. Mexico City came to dominate not only in political and economic terms, but also in population, making it for many years not only the largest city in the nation, but also in the world (Garza and Schteingart, 1978). The share of national population in the Metropolitan Zone increased from 12% in 1950 to almost 20% in 1980, where it has held for the past few decades.

No city in the US concentrates population to a similar extent, although urban growth and industrialization were similarly important trends in the 19th and 20th centuries. In 1990, twenty-five cities had populations of greater than 500,000; 195—spread from Anchorage, Alaska to Orlando, Florida—had populations of over 100,000 (US Census Bureau, 1990b). Part of the reason for this relatively greater demographic dispersion is that economic production has long been varied and has derived from multiple sources. For example, the largest economies in the country, the states of California and New York, represent only 12% and 8% of gross national product respectively (Bureau of Economic Analysis, 2000). Mexico, in contrast, has depended since the colonial era principally on government-controlled economic activities. The process of state-led industrialization adopted in the 1940s, as well as the introduction of an import substitution economic model which lasted until the 1980s, only served to accentuate previously established patterns (Gilbert, 1993; Rowland and Gordon, 1996). Even considering data from the manufacturing sector (which may be relatively more decentralized than service and trade), nearly one of every four employees of the nation was located in the Metropolitan Area in 1999. However, it is important to note that these tendencies toward demographic and economic centralization, which seemed irreversible only a few years ago, do appear to be changing. Urban growth is no longer concentrated in the Mexico City region, and the manufacturing sector increasingly looks to other destinations, especially along the border with the US.

Unfortunately, the recent decline in the pattern of demographic and economic centralization in Mexico does not mean that the large income disparities among the different regions in the country have been overcome. In fact, while some states in the north and center have grown substantially in the last decade (particularly as a result of their specialization in exports), most states to the south of the country have lagged behind. This gives rise to very different patterns of economic activity, public spending and levels of individual well-being, depending on the region in the country.

Governmental, Administrative and Political Indicators

Governmental, administrative and political centralization are both cause and consequence of demographic and economic patterns. However, these types of patterns are much less straightforward in terms of measurement, and it is difficult to estimate concisely whether one country is more or less decentralized than another.¹ Still, it is possible to make some broad comparative observations about government, administration and political organization in Mexico and the US. For example, the US is largely decentralized in the sense that its federal structure divides sovereignty effectively between the national government and the states. At the same time, political power is dispersed not only among the many individuals who hold elected office and posts in public administration, but also among numerous governmental institutions and across geographical areas. Federal executive branch agencies operate out of various regional field offices with varying degrees of independence. The federal court system is spread across the states as well as into multi-state districts. The majority of state-level politicians garner their support from local constituents and have few ties to federal politicians. State governments have substantial autonomy in decision-making and resource allocation within their spheres of authority (for more detail on fiscal matters, see the accompanying chapter).

The situation in Mexico contrasts sharply. Only since the 1980s have politicians (and researchers) begun to pay serious attention to the subnational levels of government in Mexico. The public policies and administration of states and municipalities were practically ignored before this period, essentially because they were of little importance relative to other elements in the system. At no time in modern history can Mexico be characterized as a decentralized country. In fact, the Constitution, in its method of allocating the responsibilities of each level of government, serves to restrict the power of the thirty-one state governments relative to the powerful central government, as well as that of the municipal governments. Given the high degree of

¹ For an example of this complexity, see the World Bank's efforts to develop cross-national decentralization indicators at <http://www1.worldbank.org/publicsector/decentralization/dataondecen.htm>.

centralization in terms of government powers and resources, it is not surprising that public decision making in Mexico reflects a similar pattern of concentration.

This pattern of centralization was accentuated during most of the twentieth century by political centralization, rooted in the domination of a single political party, the PRI. Beyond the formal structure of the government system, the organization of the hegemonic party served to channel government processes in a vertical and hierarchical way. Indeed the party essentially superceded this structure in many areas. However, since the end of the 1980s, the growing competitiveness of elections at each level of government has presented a strong challenge to this pattern. The need for candidates to make themselves attractive to voters, rather than just to superiors in their party, has resulted in a shift of political power in the system. Increasingly, state and local candidates of all parties openly confront higher levels of government in an effort to claim and exercise the powers allocated to them in the Constitution and other legislation. In other words, efforts to decentralize in Mexico are supported and complemented by the nation's growing political pluralism. Decentralization and political pluralism are two sides of the same coin.

Trends toward Decentralization

Among the factors responsible for the resurgence of subnational governments in both countries is the need to look for answers to public problems that the traditional systems could no longer resolve. In the US, the post-World War II economic boom had begun to peter out by the late 1960s. Growing protests against the war in Vietnam, and later, the Watergate scandal, challenged the legitimacy of national government in the eyes of many citizens. Increasing sectors of the public also began to express doubts about the efficacy of big government. This was reflected first in President Richard Nixon's attempts to scale back the Great Society programs of his predecessor, and then, in the agenda of Ronald Reagan, ostensibly to reduce the role of government in people's lives.

In Mexico, the demands for democratization of the one-party system began in the late 1960s as well, but real steps toward opening up politics, including decentralization, got underway only with the economic crises of the 1980s. By this time, decentralization measures were commonly proposed by academics and multilateral agencies as a solution for countries looking to achieve more governmental efficiency, efficacy and legitimacy, via the strengthening of subnational governments. The accompanying chapter discusses the historical trends in decentralization in each country in more detail. Here, a brief review of recent policy shifts regarding decentralization is sufficient to set the context for the discussions in the following sections.

Since the beginning of the 1980s, the federal government of Mexico has declared itself in favor of the decentralization of some power. The first important step in this sense was the effort to strengthen municipalities through amendments to Article 115 of the Constitution. This Article lays out the basic responsibilities and revenue sources of municipalities. However, the changes sparked by amendments in 1983 were not as significant as their proponents had hoped, at least, not immediately (Cabrero, 1996). A decade later, decentralization became one of the core policies of the government of President Ernesto Zedillo (1994-2000), under the banner of *Nuevo Federalismo*. The main purpose of this policy effort was to strengthen the role of the states relative to the federation by endowing them greater roles in certain key policy areas, such as health and education (Ward, *et al.*, 1999). Then, in 1999, as a result of the growing pluralism in the country and the new balance of power between the executive and legislative branches, a group of federal deputies, mainly from opposition parties, managed to impose another amendment to Article 115 of the Constitution. According to its proponents, this reform addressed some of the remaining problems encountered by municipalities under decentralization, particularly in terms of guaranteeing an autonomous sphere of action beyond the reach of state government.

In the US, recent trends toward political and administrative decentralization were initially established by the Nixon Administration in the early 1970s, under the title of *New Federalism*. While not consistently applied, due in part to Congressional reluctance, this banner was taken up years later by the Reagan, Bush and Clinton administrations with increasing force and scope. Thus, initiatives to decentralize federal spending on social welfare programs had evolved by the 1990s into a full-scale shift of control over some of these to the states. With this change has come new ways to finance these programs, and in many cases a reduction in public spending, as well. The real effect of reassignment of responsibilities and powers among levels of government, as well as between the public and private sectors, during these decades is the subject of some debate. Some analysts argue that it has resulted in profound changes in intergovernmental relations in the US (Gold, 1996), while others maintain that the net result has been minimal (Nivola, 2001).

A Comparison of Subnational Governments

Relative degrees of centralization and decentralization of government functions reflect, and are reflected by, the formal intergovernmental assignment of powers and responsibilities, as well as informal practices at all levels. This section reviews the formal design of the administration of state and local governments, and contrasts it to the way these structures operate in practice. This is followed by a discussion of the spheres of authority of subnational governments, of intergovernmental relations, and of some of the differences

between the two countries in terms of the relationship of governments with society. Given the discussion of the previous section, it should come as no surprise that in general terms, the subnational level in the US has long been more powerful and active than its counterpart in Mexico.

The Design of Subnational Administration and Government

As befits nations ordered along federal principles, in both countries government is formally divided among distinct levels, each of which enjoys a degree of autonomy and sovereignty from the central government. The actual scope of powers and responsibilities assigned, as well as the degree of independence of subnational governments in carrying these out, is determined by a number of legal and political factors, as was discussed at greater length in the accompanying chapter. However, from the outset, a basic difference between the two countries is the fact that in Mexico, the national Constitution designates the existence of federal, state and municipal levels of government, while US government is divided only among federal and state levels. Sub-state government is defined by each state, which leads to a wider variety of formal arrangements for local government in the US than in Mexico.

Other key contrasts between subnational governments in the two countries arise from the assignment of powers among levels, especially, differences at the national level. The US Constitution was specifically designed to limit federal government functions, and any powers not explicitly assigned to this level are assumed to be granted to the states. This has given rise to a variety of "States' Rights" battles over the course of US history. The most serious, of course, was the Civil War, in which the Southern states argued that they had a right to secede from the Union. In Mexico, the balance of power in Constitutional terms is in the other direction, with states granted only those powers explicitly noted, while central government is empowered with both the functions expressly set forth in the Constitution, and the "implicit powers" reserved in Article 73. This clause allows Congress to issue all laws necessary to comply with central government's explicit powers (Tena, 1997) and has permitted the center to intervene in practically all areas of national life. Concurrent powers (shared among different levels of government) also exist in Mexico, but central government has typically dominated in these spheres and relegated subnational governments to mere administrators, rather than separate units of government. One of the clearest cases of the use of this power in Mexico is found in the public education system, which is discussed in the final section of this document.

For these and other reasons, the sovereignty promised the Mexican states in the Constitution has not been a reality during most of the history of the independent nation. Despite being endowed with their own governments and the power to make laws, the true scope of their action is in fact closely

constrained, particularly regarding financial matters. In the US, as noted above, the States' Rights issue is an enduring feature of intergovernmental relations, but in fact, the US states never became as subordinate to central power as their counterparts in Mexico.

Finally, the Mexican Constitution, like several others in Latin America, specifically creates the municipality (*municipio*) as the local level of government. These units form the territorial division of the states, and are the basis of their political and administrative organization. The municipalities have their own spheres of authority and responsibility, delineated in Article 115, but the laws which govern their creation and their day-to-day activities are issued by the legislature in each state. State constitutions and other statutes in the US are much more varied in terms of the establishment of local governments, and may include counties, municipalities, special districts, school districts, and more. Local governments in the US derive their powers from their respective states, and in this sense, are much more dependent on them—at least in formal terms—than Mexican municipalities. However, in practice, most states provide for some type of “home rule,” through which the cities draft and amend their own charters and regulate local matters without interference from state government (McGoldrick, 1933).

Administrative and Governing Structure of the States

In both Mexico and the US, state structures of administration and government are similar to those of the national level. Formally separated powers—executive, legislative and judicial—have duties and limits that are codified in a state constitution and supporting legislation.² However, in the US the state constitutions tend to be much more specific and extensive than the national counterpart. In Mexico, the state constitutions were, until recently, almost direct copies of the federal one.³ This caused difficulties in the implementation of certain types of state actions, but the parallel structure of single-party authority allowed many of these problems to be overcome in practice. In comparative terms, there is substantially more variety in the structure and practices of US states than among those of Mexico.

In both countries, a governor is elected by popular vote to head the state executive branch and oversee public administration in this jurisdiction. The governor is elected for four-year terms in most US states (term limits exist in some states) and for six-year, non-renewable terms in all Mexican states. In

² In the US, Native American Indian tribes are considered sovereign nations, and their governments have exclusive jurisdiction over Indian Reservation lands. A growing number of conflicts with state governments have arisen in recent years over activities sanctioned by tribal governments within their jurisdictions, but prohibited by states. There is no real counterpart to tribal governments in Mexico, although some indigenous groups have exclusive rights to exploit specific natural resource within their traditional territories.

³ A useful website for information on Mexican legal frameworks is <http://www.juridicas.unam.mx/infjur/leg/legmexes.htm>.

both countries the governor has the power to veto initiatives of the state legislature, and also to appoint the leaders of most state agencies charged with carrying out programs and policies. In the US, however, this power varies according to the law of each state. In some, substantial numbers of important state officials, such as secretary of state, state treasurer, state auditor, attorney general, and superintendent of schools, are elected separately rather than appointed by the governor. In practice, in Mexico, the governor has tended to dominate the other two branches, and has wielded substantial power to appoint even those officials ostensibly named by the state congress.

As in other issues, the organization and practice of state congresses in the US tend to vary more widely than those in Mexico. In Mexico, each state has a unicameral legislature, whose *diputados* (deputies) are elected for non-renewable, three-year terms. Most deputies are elected by district, but a certain percentage in each state are chosen through Mexico's version of "proportional representation." Through this process, representatives who are not chosen directly by the electorate gain seats based on their party's share of the total portion of the vote. In the US, all but one of the states have a bicameral legislature, with the House of Representatives and the Senate designed to balance one other in a way similar to those of the national level. Most commonly, legislators are elected by district, for terms of two and four years, respectively, with term limits imposed in some states. The precise matters treated by each state legislature vary in both countries, but typically focuses on local policy, civil matters and local government. Similarly, the frequency and length of legislative sessions varies by place.

The state judicial branches in each country operate with varying degrees of independence and efficiency, but both exist separately from, and parallel to, the national court system. In Mexico, gubernatorial influence over state legal decisions is at the root of many of the problems of the judiciary at this level, and is in large part responsible for its poor reputation. In the US, the state judiciaries tend to be much more reliable and professionalized, although some states do lag behind the norm. Still, the particularities of state court systems differ. For example, judges may be nominated by other branches of government or elected by local jurisdiction.

Administrative and Governing Structure of Local Governments

The structures of local government in Mexico and the US diverge substantially, with a single, homogeneous design for Mexican *municipios*, and a wide variety of often overlapping units of local government in the US. The same basic mayor-council structure is mandated by the national Constitution for each of

Mexico's 2,431 municipal governments, in all thirty-one states.⁴ These jurisdictions divide each state in its entirety into a variable number of non-overlapping local jurisdictions. The much larger number of units of local government in the US—nearly 87,500 according to the U.S. Census Bureau (1997)—depend on state government definitions, but can be categorized as one of four basic types: county, municipal, special district, and school district. These jurisdictions overlap partially or completely in complex patterns. This section looks at each level in each country in turn.

Mexican Local Government: The *Municipio*

The design of Mexican local government reflects the importance placed on uniformity during the first decades of the 20th century, at the close of the Revolution. Only one body of local government is permitted, and no intermediaries may be placed between the municipality and the state. The municipality is led by a council (*cabildo*), whose members are elected on the basis of party slates. The council is a kind of municipal board which consists of the mayor (*presidente municipal*), a varying number of council members (*regidores*), and one or more comptrollers (*síndicos*) from the slate which receives the most votes. In addition, a variable number of council members is chosen through "proportional representation" from the party slate which receives the second- (and in some municipalities, the third-) highest number of votes. The number of council members and comptrollers varies according to the population in the municipality, among other factors. Members of the council serve for three years, and cannot be re-elected for the period immediately following the one in which they held office.

According to the Constitution, the function of the council is to act as a "collegial body" of municipal governance. This definition has caused a certain amount of confusion in practice, since some have interpreted it as referring to a legislative role for the members. Others insist that the mayor, as local chief executive, should take the initiative on policy matters. Within the council, members direct commissions that supervise the operation of public services, as well as the other functions carried out by the municipality. They also receive complaints and petitions of local residents and bring these concerns before the council. The mayor names directors for different sectors of government activity, and these have day-to-day responsibility for municipal government services. The number of directors depends on the administrative capacities of the municipality and the resources that it has to cover demand within its jurisdiction. These directors often have an uneasy relationship with the local council's commissions, since there is substantial overlap in their charges.

⁴ The only exception is the *Distrito Federal*, home of the national capital. Also note that the number of municipalities has tended to increase in recent years.

US Local Governments

The closest equivalent to *municipios* among US local government are the counties. Like municipalities, counties (known in some states as parishes or boroughs) are the principal territorial divisions of states, and most states are completely divided into non-overlapping county governments. Counties are usually organized as general-purpose governments for small and dispersed populations which live outside the jurisdiction of incorporated city governments. They provide public services and raise the taxes necessary to pay for them. In some large cities, county and municipal governments are consolidated into a single unit.

County commissioners (or boards of supervisors), whose number varies among the states, may be elected by district or at-large, typically for four-year terms. They are complemented by administrative professionals, including the sheriff, treasurer, clerk, tax collector and engineer, many of which are also elected posts. Although a commission chair or president is usually elected or chosen by members to lead council meetings, executive authority is relatively weak at the county level (Johnson, *et al.*, 1965; Saffell 1987).

Within counties, a variety of general-purpose local governments with similar functions and responsibilities co-exist, depending on the type of population served, as well as historical circumstances. Known generically as municipal or township government, these include cities, boroughs, town, and villages. Typically the jurisdictions of these sub-county levels do not divide the county territory completely, nor are they necessarily contiguous to one another; rather they exist only where population is concentrated into towns or cities. The municipal jurisdiction is somewhat flexible for these reasons, and boundaries are often expanded, through a process known as annexation, to accommodate growth in populations around their borders. Townships are similar to municipalities, but limited principally in the Northeast and Midwest sections of the country. The number of municipal governments varies widely among states; approximately 36,000 exist across the country (US Census Bureau, 1997).

The governing structure at the municipal level is diverse, but usually characterized as one of three different types: mayor-council government, council-manager government, and commission government (Johnson, *et al.*, 1965; Phillips, 1960; Saffell, 1987). In the mayor-council form, which is most common and especially prevalent in the older cities, both mayor and council members are directly elected. In one variant of this form, known as the weak-mayor system, council members are elected by district and lead the major city agencies. The mayor's powers of appointment, removal, and budgeting are limited. The other variant, the strong-mayor system, allows the mayor to veto council ordinances, control the city budget, and exert tighter control over city administrative agencies.

The council-manager (or city manager) form of municipal government relies on a small council elected at-large on a nonpartisan basis, with the largely ceremonial mayor chosen from fellow council members. The council hires a professional city administrator to manage public affairs in accordance with its priorities, and this city manager supervises all city departments and programs, as well as the budget.

Finally, a smaller group of municipalities is led by the commission-type government, in which commissioners are elected to lead city departments. As in the council-manager form, the mayor is chosen among the commissioners, but has only ceremonial functions.

Special districts (or authorities) are another type of independent sub-county government, created by states or other general-purpose jurisdictions to provide a particular service. They can take a wide variety of forms and enjoy substantial administrative and fiscal autonomy. They may be charged with a single task or with several related types of services, including air transport, cemeteries, education, electricity, fire protection, gas supply, health, highways, hospitals, housing and community development, libraries, natural resources, parking facilities, parks and recreation, sewerage, solid waste management, transit, water supply, and public transportation and terminals. Their jurisdictions vary widely, from entire states to a section of a single metropolitan area. Special districts are run by boards of directors, whose members may be elected, appointed, or serve *ex officio* by virtue of other responsibilities. Typically, the board sets policy, but administration is carried out by civil service professionals.

School districts, of which there are more than 15,000 nationwide, are a particular form of special district, and perhaps the most widely used. Public school systems tend to be independent of general-purpose governments (although there are exceptions), and provide elementary and secondary education, as well as some junior colleges. Local school boards, whose members are directly-elected from nonpartisan ballots, set school policy, including curricula and performance standards, as well budgeting and administrative regulations. The school board typically hires a professional administrator, known as a superintendent, to take a leadership role in policy issues.

In many states, there are also regional organizations which attempt to coordinate among governments of different levels. These are especially important for planning functions in large metropolitan areas, although their level of efficacy in fulfilling these tasks is often questioned.

The states' jurisdiction over the creation and form of local governments means that the numbers and types of these are subject to constant change. Some changes respond to shifts in demographic and economic bases, while others, particularly the recent growth of special districts, appear to reflect

increasing public demand for specialized services, or efforts to evade the debt or tax limitations imposed on general-purpose governments.

Administrative and Governmental Practice

Within each country, the practice of subnational government is a product of substantially different histories. In recent years, though, concern in both has focused on how to promote better administration and more democratic government at these levels. In Mexico, the motor of this change in recent decades has been the decline of the one-party system of government, which has allowed a greater variety of politicians to enter state and local governments. In addition, the need for politicians to win relatively fair and competitive elections has resulted in government which is more responsive to local public preferences. Members of state congresses and municipal councils are becoming increasingly independent from the governor and mayor, regardless of their parties.

Still, *presidencialismo* tends to dominate in many states and municipalities, with the executive branch taking the lead over the legislature and judiciary in the states, and the municipal president making most policy decisions in the municipalities (Guillén, 1996; Rodríguez, 1997). However, in regions where the executive is no longer the predominant force in political affairs of the states and municipalities, these levels have also acquired more autonomy in their decision-making from higher levels of government. Rapid changes in the system of subnational government and administration in Mexico do not always result in immediate improvements for the population, of course. Officials are often trapped between the old, decaying system of intergovernmental relations and a new system whose rules are not necessarily clear or functional from their point of view. Regional variations in the quality of electoral competition persist. In addition, administrative and technical capacity is lacking in many subnational governments, and they continue to depend on federal transfers for most of their budgets.

In the US, the key issue in state and local practice tends to be presented in terms of professionalization. While actual performance and problems vary greatly among regions, increasing complexity in the types and number of services offered by subnational governments has led to the desire to attract skilled professionals not just to administrative posts, but also to legislatures. In fact, some states with smaller populations and economies still consider government a part-time job, and pay only symbolic salaries to members of congress. In contrast, the largest states have developed sophisticated legislatures, staff and administrations in recent decades. This professionalization (combined, in some cases, with an adventuresome electorate) has allowed states like California, Wisconsin, Texas and New York, to distinguish themselves as innovators in public service and programs. Some of

these experiments are eventually adopted as standards for state government by national-level programs. Finally, the extensive presence and membership of government officials and administrators in professional associations also supports the transmission of knowledge and experience across the country.

State and Municipal Spheres of Authority and Decision Making

Comparison of the allocation of public functions is complex and potentially misleading, since in both countries, some degree of concurrence in functions exists among distinct levels of government. In addition, the degree and types of responsibility can vary across the many areas for discussion. For example, one state may provide a service directly, while another may exercise only regulatory or funding authority over the activities of local governments within its jurisdiction. Another may absolve itself of responsibility for the service by devolving to the local governments all aspects of its financing, regulation and provision.

However, there are few spheres of action in either country for which states or local governments have exclusive authority. In particular in the US, much of the work of state and local officials and administrators is characterized by information-sharing and negotiation within and across levels of government. The situation in Mexico is slightly different, as seen below, in part because the Constitution specifies some degree of exclusivity for the *municipios* in certain tasks.

State Functions

In both countries, the states have considerable formal authority over the range and details of their responsibilities. However, as noted above, the states in Mexico have traditionally yielded their own powers to the national president at the same time that they have usurped municipal functions. In the current context of increased political competition, the actual scope of state authority is in the process of negotiation and evolution. In the US, although state power relative to central authorities has risen and fallen across time, states have always exercised primary responsibility for a wider range of tasks than have Mexican states.

One of the clearest examples of this pattern is seen in state legislation, which varies substantially among US states, but which generally follows a single pattern in Mexico. Thus, in the US, for example, criminal law, industrial regulation and professional regulation, are all functions in which states play an important role. This leads to some key differences among state statutes, including, perhaps most starkly, the use of the death penalty for convicted criminals in some places. In contrast, Mexican states do vary slightly in some

matters of criminal law, but the pivotal role of federal authorities in setting the national agenda in crime-fighting (including spending priorities) overshadows differences among state legal codes. Similarly, industrial and professional regulation are almost exclusively national government functions.

In both countries, states are also responsible for the direct provision of certain public services. In the US, the precise degree of responsibility in different sectors differs among states, but generally follows the list presented in Figure 1. This variation results from a combination of legal provisions, customary practice and the interpretation of court rulings on certain matters. In Mexico, the list of state tasks is similar, and the priorities for each state in terms of service provision may be listed in the constitution, or government simply may act according to custom and convenience.

States in both countries have also traditionally been charged with administering or applying funds granted by national government for particular programs, including, in particular, social welfare programs. This task is carried out through grants in the US and through *convenios* (administrative agreements) in Mexico. However, recent efforts at decentralization in both countries has led to a shift in the balance of responsibility toward the states in certain sectors. In Mexico, education and public health are activities that were previously carried out by the federal government, but through recent Constitutional reform, were decentralized to the states (see Cabrero, 1998; Ward *et al.*, 1999). Now, both of these functions are concurrent, so central government is still involved. Nevertheless, many states are struggling with the provision of massive public services for which they have little previous experience and very limited funding.

F I G U R E 1

ADMINISTRATIVE RESPONSIBILITIES OF LEVELS OF GOVERNMENT IN MEXICO AND THE US

LOCAL	MEXICO (<i>MUNICIPIO</i>)	US (COUNTY, MUNICIPAL, SPECIAL DISTRICT, ETC.)
	WATER, SEWER SYSTEM, GARBAGE LOCAL STREETS AND PUBLIC LIGHTING POLICE AND LOCAL TRANSIT CIVIL PROTECTION PARKS AND OPEN SPACES ENVIRONMENT ZONING, LAND USE AND URBAN PLANNING CIVIC AND CULTURAL ACTIVITIES	WATER, SEWER SYSTEM, GARBAGE LOCAL STREETS AND PUBLIC LIGHTING POLICE CIVIL PROTECTION PARKS AND OPEN SPACES ENVIRONMENT ZONING, LAND USE AND URBAN PLANNING CIVIC AND CULTURAL ACTIVITIES PRIMARY AND SECONDARY EDUCATION HEALTH PUBLIC HOUSING PUBLIC WELFARE ASSISTANCE
STATE	MEXICO	US
	PRIMARY AND SECONDARY EDUCATION PUBLIC UNIVERSITIES HEALTH SOCIAL WELFARE ENVIRONMENT REGIONAL HIGHWAYS POLICE AND ADMINISTRATION OF JUSTICE PARKS AND OPEN SPACES	PRIMARY AND SECONDARY EDUCATION PUBLIC UNIVERSITIES HEALTH SOCIAL WELFARE ENVIRONMENT AND CONSERVATION AGRICULTURE HIGHWAY AND MOTOR VEHICLE SUPERVISION PUBLIC SAFETY AND CORRECTIONS PROFESSIONAL LICENSING REGULATION OF INTRASTATE BUSINESS REGULATION OF INDUSTRY CIVIL PROTECTION PARKS AND OPEN SPACES
FEDERAL	MEXICO	US
	NATIONAL DEFENSE INTERNATIONAL RELATIONS FOREIGN TRADE MONETARY POLICIES, CURRENCY, BANKING SYSTEM INTERSTATE TRADE IMMIGRATION EDUCATION PUBLIC UNIVERSITIES HEALTH SOCIAL WELFARE ENVIRONMENT TAX POLICIES NATURAL RESOURCES INTERSTATE HIGHWAYS MONETARY TRANSFERS TO INDIVIDUALS SUBSIDIES TO COMPANIES AND INDUSTRIES AIRLINES AND RAILROADS REGULATION POLICE AND ADMINISTRATION OF JUSTICE PARKS AND OPEN SPACES	NATIONAL DEFENSE INTERNATIONAL RELATIONS FOREIGN TRADE MONETARY POLICIES, CURRENCY, BANKING SYSTEM INTERSTATE TRADE IMMIGRATION EDUCATION HEALTH SOCIAL WELFARE ENVIRONMENT NATURAL RESOURCES INTERSTATE HIGHWAYS MONETARY TRANSFERS TO INDIVIDUALS SUBSIDIES TO COMPANIES AND INDUSTRIES AIRLINES AND RAILROAD REGULATION PARKS AND OPEN SPACES

Local Government Functions

The range of activities carried out by the assortment of local governments in the US, as well as the *municipios* in Mexico, make generalization in this respect even more difficult than in the case of states. However, in both countries, most tasks of sub-state governments fall under the rubric of “local public services,” that is, governmental responsibilities which by their nature have a limited territorial scope (Figure 1). The biggest difference among the two systems in terms of the allocation of responsibilities is that major aspects of public health and welfare, as well as public primary education, are considered *local* in the US. In Mexico, in spite of recent decentralization policies for these sectors, these tasks are charged nearly exclusively to the states and central government.

These contrasts are related in part to differences in existing levels of socioeconomic inequality, public service backlogs, the inertia of political culture, and the resulting levels of local administrative capacity. In questions of public welfare in Mexico (known generically as *política social*, or *combate a la pobreza*), for example, it is hard to imagine that even the most capable local government could do much to address the dramatic interpersonal income and wealth differences which characterize the country. The support offered by county and city governments in the US to unemployed persons or impoverished single mothers, laudable as it may be, does not approach the scope of the task which would face a Mexican counterpart which embarked on the task of constructing a social safety net, however modest.

Beyond questions of overcoming poverty, many Mexican municipal governments complain that existing public service backlogs date from the era when the states or federal government were nominally charged with these tasks. Thus, local governments must not only discover how to efficiently provide for existing demands but also, how to “catch up” with pre-existing deficits. The crucial point is that in practice, many public service responsibilities in Mexico simply go unfulfilled.

Traditional political centralization in Mexico also plays a role in these dilemmas. Much care was taken in the design of the Constitutional reforms in 1983 to clearly designate the responsibilities (and funding sources) which correspond to municipalities. In 1999, the same articles were revisited in order to try to “correct” the persistent practice by states of usurping the most profitable or politically influential municipal tasks. Even after the reform, however, the process facing a municipality that wishes to bring its state before the national courts in order to force it to change some action (or inaction) is so complex and time-consuming that it rarely brings about the desired results.

Limits in municipal administrative capacity are clearly both cause and effect of these problems. However, in a context of increasing administrative ability at the local level in both countries, US governments appear to have the

advantage, both in terms of the point of departure, and the challenges that face them. Troubles indeed exist in local governments in the US, but the scope and variety of tasks which are carried out are generally characterized by a greater degree of experience and capacity.

Intergovernmental Relations

As mentioned previously, in spite of the importance placed on dividing government functions among levels in any federation, both Mexico and the US are characterized by constant intergovernmental interactions. In practice, shared responsibility for public programs and services is the rule rather than the exception. The content and means of these exchanges is rather distinct among the two countries, however, reflecting the traditional balance of political power among levels of government.

Thus, in the US, federal government (in its dealings with the states) and the states (in their dealings with localities) generally rely on cash grants and the joint administration of programs to achieve their objectives. The states are free to reject federal monies which carry conditions that they are not willing to fulfill, although in practice this is relatively rare. Essentially, the vast resources of the federal government, based in large part on its control of the income tax, usually allow it to induce other levels to follow its preferences, in spite of legal norms and political practice which makes such cooperation optional. In contrast, since local governments derive their own authority from the states, they are in a much weaker bargaining position. Thus, although states do use intergovernmental grants, they also exercise greater regulatory and auditing authority over the localities.

In Mexico, political tradition mandated a strict subordination of states and municipalities to the central government for much of the 20th century. In spite of the federal pact among nominally sovereign states, one-party rule traditionally combined with the concentration of financial and human resources at the federal level to make it rare for states to challenge the latter's authority. The same pattern of subordination held for most municipalities in their relations with states, since state legislatures exercise key powers over municipalities, such as approving their annual revenue plans, distributing federal revenue transfers, and even dissolving the municipal government entirely. The centrality of the one-party system explains how, for decades, Constitutional guarantees for municipalities were routinely ignored.

As noted previously, the incentives for unconditional cooperation with higher authorities are now substantially reduced for politicians, since they must compete for the electoral favor of local residents. A new possibility was opened to state and local governments in 1999, when it became possible for them to initiate "constitutional controversies" (essentially, to file suit with the Supreme Court), against higher levels of government accused of acting outside legal

limits. This mechanism has not proved decisive, since in the dozens of cases filed so far, the plaintiff has only rarely won. Disparities in the technical, material and human resources available to each level of government undermine the efficiency of these mechanisms. In addition, the process of resolution usually exceeds the term limits of particular municipal administrations. Essentially, the law continues to favor central government.

An additional aspect of intergovernmental relations in Mexico—which has no real counterpart in the US—is the National Democratic Planning System (*Sistema Nacional de Planeación Democrática*, SNPD), which was created in the mid-1980s, ostensibly to substitute the traditional top-down approach to planning for one that incorporated the opinions and preferences of subnational levels of government and their residents. State Development and Planning Committees (*Coplade*) were created to link representatives of the three levels of government and to take charge of state planning. At the same time, Municipal Development and Planning Committees (*Coplademun*) were created to promote the economic development of the municipality, through the incorporation of the principal local actors into the planning process. In this way, the *Coplade* would be the link between the *Coplademun* and the National Development Plan, since they would allow the proposals of the municipalities to be incorporated into the latter. Unfortunately, in most states, the *Coplade* are irrelevant to the real process of decision-making, and they have not served their intended function, in part because of the ease with which development plans can be ignored, and in part because it is very difficult to make the committees function as they should (Cabrero, 1998).

Relations among branches of the same level of government—particularly at the state level—have been undergoing transformation in both countries, with state legislatures becoming much more active in policy. In many Mexican states, the legislature has begun to enjoy some degree of autonomy from the governor for the first time in many decades. This implies more frequent conflicts over policy objectives and strategies, but also the potential for the benefits of checks and balances to be realized, curbing some of the excesses of state executive power. Unfortunately, Mexican state courts remain rooted in many of the most problematic traditional practices, particularly their deference to the governor's will rather than to legal norms. They are only beginning to feel the pressure for change.

In the US, the state judiciaries have taken on increasing importance relative to the executive and the legislative branches. Essentially, in recent years, polarized legislatures have often referred controversial issues to the courts for their rulings (Vago, 1991). This essentially transforms the judicial branch into a source for law on such issues, and allows legislators to avoid taking stands on divisive issues.

Government and Society

In countries with democratic traditions, citizen participation is considered to be a means to encourage good governance, among other benefits. Depending on the type of participation, it permits the incorporation of the knowledge and demands of residents into the government's programs and plans, while contributing to a distribution of public responsibility between government and society. To a greater extent than central government, local governments have the responsibility and potential to include citizen participation in their decisions, since they are the levels of the government that has most contact with society and its daily concerns.

In the US, state and local regulations generally require that meetings held for public purposes be open to the public, both for observation and comment. Much of the information generated and used by government is published or available by request. In addition, local or state projects or programs which are funded by the federal government usually must begin their work with public hearings to inform citizens of these plans and give them the opportunity to comment.

In Mexico, the heritage of an authoritarian and clientelist political system, combined with glaring differences in the personal wealth and education among individuals, has led to wide variation among states and municipalities in the degree of participation. Basic government information such as government budgets have only recently begun to be considered "public" in the sense that people outside the government may have access to them. Furthermore, while there is national legislation related to the administrative and financial aspects of local government in Mexico, there is no single comprehensive federal law that requires citizen participation and establishes the institutions to promote it.

In spite of the great strides made in elections and administrative capacity in Mexico, and a number of new laws aimed at ensuring public access, government meetings and information still tend to be treated as private and off-limits to the public. Part of the problem is simple inertia. During almost half of a century, Mexican citizens related to their government only through intermediaries, typically organized as corporatist groups. Thus, rather than dealing with individuals, the government negotiated its positions with sectors of employment (for example, teachers or railroad workers), or other types of official organizations. This mentality is reflected in many ways. For example, where planning committees (*Coplademun*) exist, their membership is often restricted to those selected by municipal officials, and thus they fail to incorporate truly *public* opinion into local decision making. Even in those municipalities where these committees are truly open to the public, they have no way to enforce any decisions reached (Rowland, 2001). The secretive and exclusive aspect of Mexican bureaucratic culture has begun to change in parts

of all three levels of government, but it is still the exception rather than the rule for ordinary citizens to observe, let alone participate in, the governmental arenas where policy decisions are made.

Other kinds of institutionalized citizen participation, such as referenda and initiatives, are not widespread in Mexican municipalities and states. Although the states are allowed to introduce these measures, few have actually done so. However, the subject is of great interest in political circles, apparently as a reflection of widespread frustration with formal mechanisms of representation. In the US, such measures are more common, though not present in all states (Cronin, 1999). In some states and cities, referenda are mandatory for certain matters, such as constitutional amendments or the issuing of public bonds.

Public Policy Issue: Primary Education Reform and Sub-National Governments

Principal responsibility for primary education has converged in recent years on the state level in both countries. That is, in Mexico, deliberate policies to promote decentralization have shifted many of the tasks related to public education from the national to the state level. At the same time, recent efforts in the US to reform and improve schools, combined with recurring financial pressures, have resulted in increased roles for the states at the expense of local districts. These trends should not be overstated: in Mexico, state action in education remains limited by continued central government involvement, while in the US, local districts are still the basic unit charged with primary education. The extent and limits of this convergence of responsibility are discussed in more detail in the following pages.

Context and Traditional Practices

Recent shifts in policy and practice in Mexico and the US cannot be understood without a brief overview of the major differences in the history and structure of the two systems. In the discussion that follows, attention focuses on basic or primary-school education, due to its size and importance relative to the other levels. It is also the level which has undergone the most important changes in recent years.

A first point to keep in mind in this comparison is that the total volume of school enrollment is substantially different in the two countries. This reflects the size of national population, the demographic structure (Mexico has a much “younger” population than the aging US), and rates of enrollment at each level (Figure 2). In general terms, the total student population in Mexico is only about 40% the size of that in the US, and the distribution of students in Mexico is concentrated much more in primary levels. In the US, the vast number of

students in higher education (one in five) amounts to nearly four times the share at this level than in Mexico.

FIGURE 2
STUDENT ENROLLMENT BY LEVEL AND TYPE OF SCHOOL, 1999

	MEXICO		US	
	NUMBER (MILLION)	SHARE	NUMBER (MILLION)	SHARE
BASIC INSTRUCTION (PRESCHOOL AND PRIMARY)	23.1	81%	38.3	57%
PUBLIC	21.7	76%	33.5	49%
PRIVATE	1.4	5%	4.8	7%
SECONDARY (HIGH SCHOOL AND TECHNICAL EDUCATION)	3.7	13%	14.6	22%
PUBLIC	3.4	12%	13.4	20%
PRIVATE	0.3	1%	1.3	2%
HIGHER EDUCATION (UNIVERSITIES, TWO-YEAR COLLEGES, TEACHERS COLLEGES, POSTGRADUATE)	1.7	6%	14.8	22%
PUBLIC	1.4	5%	11.3	17%
PRIVATE	0.3	1%	3.5	5%
TOTAL	28.5	100%	67.7	100%
PUBLIC	26.5	93%	58.2	86%
PRIVATE	2.0	7%	9.6	14%

Sources: derived from SEP 2000; National Center for Education Statistics, 2003.

Introduction to Mexico

Article 3 of the Mexican Constitution explicitly assigns responsibility for all levels of education to the State, which it defines as national, state and municipal levels of government. Federal government domination of education dates from the days following the Revolution, when primary education for all was seen as the key to overcoming the glaring social and economic inequities which had fueled discontent with the previous regime. The political and administrative disarray of the states during that era, combined with the interest of the center in intervening in their affairs in order to quell regional revolts, led the central government to take a strong role in education.

Thus, as in other areas of national life, one of the key characteristics of the education system in Mexico has been strong centralization. This trend increased from the period following the Revolution to the signing of the Administrative Modernization Agreement in 1992, which ostensibly decentralized public

education. Before this time, the system was dominated by federal schools at all three levels, although public schools run by the states did exist before the decentralization initiative. At the primary and secondary levels, these state schools accounted for 22% of enrollments.

The magnitude of the challenge of decentralizing this system, as well as the limitations of these efforts, are linked to the pre-existing structure of the system. Until the decentralization agreement, basic education was directed by the Secretary of Public Education (SEP), with its headquarters in Mexico City. The SEP was responsible for the design of the curriculum, school construction, labor relations, and the general administration and operation of every school in the entire system.

A fundamental obstacle to any change mandated by the SEP has been the powerful teachers' union, which is linked directly to central government. The SNTE (*Sindicato Nacional de Trabajadores de la Educación*, National Union of Education Workers) has always enjoyed the power to rally members for mass demonstrations and strikes to pressure central government in negotiations for benefits. Its power derives from both its large size and its control of the assignment of teaching positions all over the country (Santizo, 1997). The great power that the SNTE was able to accumulate during the mid-twentieth century forced the federal government to reach agreements with it regarding any change in educational policies, and allowed the union to stymie many previous efforts at reform.

Before the reform of 1992, the responsibility of the states was to supplement the education provided by the federation. To do so, the states created agencies whose purpose was to contribute to increased coverage and quality of education, by constructing schools and running them according to the curriculum established for federal schools by SEP. The municipalities did not have any obligation to take part in public education, and they did so only sporadically, primarily by helping with the maintenance of school buildings. These locally-sponsored school improvements, like many other aspects of public service provision under the one-party system, tended to form part of a strategy for obtaining political support and clientele in local, state and national elections. Physical improvements to often rudimentary schools was linked to votes for the ruling party.

Introduction to the US

The massive primary and secondary education systems in the US included nearly 53 million students in 1999. Formal responsibility for primary education in the US is not assigned to a particular level of government by the national Constitution. Rather, it is claimed by the states by virtue of their power to exercise any task not prohibited to them, nor assigned explicitly to another level. Before the twentieth century, however, states exercised very little

oversight in this sector, leaving each school or school district to set policy and administer its affairs in keeping with the preferences of the community it served and its budget limitations. This highly fragmented system resulted in the creation of 150,000 school districts by 1900 to serve often-isolated towns and settlements. However, over the course of the twentieth century, urbanization, improvements in transportation (including paved roads and buses for students), and the efforts of state and national education agencies to consolidate school districts in the name of formalizing education and improving quality, led to a substantial shift from small, local systems to larger districts and increasing state control (Pipho, 2000).

Already by 1910, nearly all state constitutions contained a clause relating to public education, and state legislatures had begun to adopt laws mandating compulsory attendance and the length of the school year (Pipho, 2000: 8). Families pressed for professionalization of teachers and administrators, which resulted in state certification requirements, the creation of professional organizations and unionization, as well as a series of national education commissions. Since the 1960s, states have incurred even more responsibilities as a result of three additional issues: court rulings, financial pressure from reduced property taxes and interest group politics (Wong, 1999). By the end of the twentieth century, states were exercising increased control and responsibility over many issues that they had previously left to local school boards. The total number of districts had fallen to 15,000 (Pipho, 2000: 6).

National Reform Efforts

Both countries entered the 1980s with education reform on the agenda, in large part because of shared perceptions about the necessity of good basic education to contribute to national competitiveness in increasingly global economies. In addition, in Mexico the pressure for education reform was augmented by the urgent need to cut national public spending during this period. In the US, interest in school reform was spurred by the pessimistic findings of a major report on education from a highly-regarded national commission. The specific national reforms adopted in the US included market-based reforms to the sector, as well as inviting greater participation by the private sector. Nevertheless, in keeping with the general tendencies in both countries, education reform in Mexico was a top-down policy experiment, conceived at the national level and imposed on the states. In contrast, in the US, reform has been incremental and uneven across the states, responding to a wide range of actors and interested parties rather than following some single policy design.

National Education Reform in Mexico

The decentralization of education in Mexico was initiated by President Carlos Salinas (1988-1994), who ordered an evaluation of public education, known as the Program for Education Modernization, in 1989. The results of this evaluation served as the justification and the starting point for what was hailed as a radical change in policy, based on the findings of inadequate coverage in primary education and high dropout rates. According to this report, 1.7 million children aged ten to fourteen were not enrolled in any school. Forty-five percent of those who enrolled in primary school (more than 6.6 million students), did not complete it in the planned period of six years. In rural zones and where the population of indigenous people is concentrated, this rate surpassed 80%. Close to 500,000 children dropped out of school every year during the first three grades of primary education, and another 380,000 left in the last three. Existing preventive programs to combat school failure covered scarcely 9% of the enrolled population in the first two years of primary school. More than 15,000 public primary schools (20% of the total) did not offer the full six years, and more than 16,000 (22%) had only one teacher for all grades.

The report also argued that the curricula of primary and secondary education were not congruent with one another. A lack of parental participation to support children's education was noted, mainly due to the absence of mechanisms that would allow more committed and responsible action. Furthermore, excessive centralization and red tape were recognized as factors in the growing distance between educational authorities and school authorities, and inefficient management of those responsible for staffing. All this, it was argued, was out of sync with the modernization efforts underway in other areas of national life.

The decentralization of basic education began in 1992, with the National Basic Education Modernization Agreement (*Acuerdo Nacional para la Modernización de la Educación Básica*, ANMEB), which was signed by the federal government and each of the states. There is some dispute over the way this agreement was designed. On the one hand, government officials claim that the agreement was achieved after a two-year consultation process with teachers, parents, educational experts, intellectuals, and various other sectors of society (Moctezuma, 1993⁵). On the other hand, authors such as Merino (1997) argue that the design of the agreement was actually the result of intense negotiations between the government and the SNTE, and that the debate centered more on how far the government would go to reduce the power of the union rather than on the quality or coverage of education (see also Ward, Rodríguez and Cabrero, 1999).

⁵ Moctezuma was, at the time, Sub-Secretary of Planning in the Ministry of Public Education.

The Agreement sought to transform the basic education system as well as to extend the coverage of service and raise quality. These goals were to be reached by committing more financial resources to public education, reorganizing the education system, reforming the curricula, and improving the image of teachers. In essence, the Federal Executive transferred schools, with all their technical and administrative elements, rights and obligations, as well as real estate and furnishings, to each of the states' education departments. The financial resources used to operate these services were also transferred.

Nevertheless, the agreement foresaw continued activity of the SEP in public education, through its oversight of compliance with Article 3 of the Constitution, as well as the Federal Education Law and its provisions. Also, the SEP would continue to prepare the basic education curriculum and produce free textbooks, as well as attempting to reduce the disparities of educational coverage and quality among the states. In effect, then, the schools themselves became property of the states, but many aspects of education policy remained in the hands of central government. After the agreement was signed, it became a central part of the General Education Law in 1993.

National Education Reform in the US

In spite of the lack of federal jurisdiction in primary education in the US, many of the changes in schools since the 1950s have resulted from federal initiatives. Still, priorities are subject to frequent change. Indeed, much of federal government involvement results from pressure by different interest groups to promote national policy issues in public schools (Spring, 1993). For example, in the 1950s and 1960s, military and industrial leaders sought to promote better preparation for students in science and mathematics to keep pace with the technological advances in the Soviet Union. During the same period, civil rights groups tried to promote more equitable treatment and respect for rights via federal pressure on recalcitrant states and local school districts. The most dramatic of these efforts resulted in the 1954 ban on segregation by race in public schools, through the Supreme Court ruling known as *Brown v. Board of Education*. However, it took another decade of pressure by these groups to secure the passage of the Civil Rights Act of 1964, which withheld federal monies from institutions which discriminated by race, religion or ethnic origin. Since public education did not receive federal funding at that time, the *Elementary and Secondary Education Act of 1965* was then passed to provide greater incentives for cooperation with federal priorities.

In the 1970s and 1980s, business groups became more active at the national level in promoting education reforms like career and vocational education programs. In 1983, the report commissioned by the administration of President Ronald Reagan, entitled *A Nation at Risk* (National Commission on Excellence in Education 1983), focused considerable national attention on the issue of public

school failings. It established education reform as a national priority to maintain economic competitiveness.

At the national level, efforts were begun to fundamentally alter the public school system through the use of more market-based incentives, including greater choices among schools for students and parents.⁶ Changes in federal policy since 1985 also have prompted experiments in some states with charter schools, open enrollment and home schooling, although these types of programs remain the exception rather than the norm. During the same period, some conservative religious groups have pressured federal government to promote school choice programs, including the use of vouchers to pay for students' tuition in private or religious schools with public funds (Spring, 1993). Some of these groups and their allies in Congress have also launched repeated efforts to change public school curricula and practices, especially regarding the teaching of biology and prayer in schools.

Reforms and the States

New Responsibilities in Mexico

Even after decentralization policies were implemented, the central government retains exclusive control of the direction of education policy. According to Article 3 of the Constitution, as well as the Federal Education Law, the federal executive alone is responsible for determining the curricula for primary and secondary education. It is also exclusively responsible for updating and preparing the free textbooks used throughout the country, authorizing supplementary textbooks, regulating the national teacher preparation system, and the global planning and budgeting for the education system.

What is left for the states? Among their new responsibilities, the most important is the obligation to provide preschool, basic education and teachers' colleges. Furthermore, the states can propose to the SEP any regional components that they wish to include in their curricula. They can adjust the school calendar (established by the federation), provide teacher preparation services, revalidate and grant equivalencies to basic education diplomas (according to the guidelines set forth by the SEP), and grant or revoke authorization for private schools and teachers' colleges.

The resources that the federal government allocates to educational activities are transferred to the states through *Ramo* (line item) 33 of the federal budget. However, transfers to the states are earmarked almost in their entirety to cover payroll expenses (Santizo, 1997). The resources that state governments receive for education cannot be transferred to other activities, according to federal budget rules, but states may allocate their own additional

⁶ Note that traditionally in the US, children are assigned to public schools based on their place of residence.

funds to education. Nevertheless, given the low levels of financial resources of the subnational governments, neither the states nor the municipalities contribute significant amounts of their own resources to the total expenditure of the federation in education. This suggests that the additional margins for maneuver of the states in public education thanks to decentralization are highly restricted by the simple lack of resources.

In general, the states have encountered difficulty merging their existing education systems with those transferred to them by the federal government. Difficulties range from problems generated by differences in seniority systems, to the preference of teachers for work in urban rather than rural areas. Furthermore, the different pension plans cannot be integrated in the short or medium terms. Behind some of these problems are the interests of the SNTE, since completely merging the systems would imply merging two teachers' unions into a single, state-level one, which would reduce the SNTE's national political power (Ornelas, 1997).

It also has been difficult to increase efficiency in the provision of education because decentralization did not grant financial autonomy to state governments in the management of basic education, and their capacity to obtain and increase their own resources remains limited. At the same time, states do not perceive a relationship between their own fiscal effort and the funds they obtain through federal transfers. Education funding comes from the general revenue of the federation, and the criteria for distribution of federal funding for public education are not regulated in any way. This grants flexibility to the federal government on the one hand, but also gives to discretion to modify the allocation of resources. In practice, the richest states continue to receive more funds for basic education from the federal government in per capita terms (Merino, 1997).

Another set of problems in the legislation on public education is related to the lack of mechanisms to coordinate the relationship between federal and state authorities. In spite of the fact that links were created between the SEP and the states to reach agreements and promote uniformity in the application of state education policies, these have not effectively coordinated state and municipal actions. Once again, there are no standards for coordination of these concurrent powers, and the main parties involved often leave their obligations unfulfilled.

Analysts who have dealt with the subject agree that the results of the decentralization process have been varied (Cabrero, 1998; Ornelas, 1997; Pardo 1999; Ward, Rodríguez and Cabrero 1999). Many critics emphasize that in spite of decentralization the central government maintains control of education policy in the country. Others point out that the problems that led to decentralization still have not been resolved (Merino, 1997). Still, some states, such as Aguascalientes and Guanajuato, have managed to improve the coverage and quality of education through new organizational structures (Cabrero, 1998;

Ward, Rodríguez and Cabrero, 1999). Arnaut (1999) explores other positive results, including the creation and consolidation of specialized teams for education administration, planning and research, as well as new involvement by state and municipal education authorities, parents and social organizations.

The process of decentralization of education in Mexico has been underway for less than a decade, after many years of centralization, so it is still early to come to firm conclusions regarding the results of this process. The most obvious trend is the beginning of greater regional variation in outcomes, a trend which has its origin in the heterogeneity of the states of the republic. The SNTE has also contributed to diversification by offering a variety of responses to each state's activities in education. Heterogeneity and local experimentation are consistent with the objectives of a decentralized federation, but in the Mexican context, the poorest regions have few possibilities of successfully changing under the new system. In other words, a decentralization policy which treats states as equal, risks condemning the less-developed regions to continued problems.

The New Financial Role of US States

By the 1990s, the states in the US had assumed increasing authority in primary education. In contrast to Mexico, this change came about not as the result of a particular policy initiative, but because of a number of other factors, including new problems in traditional forms of local funding, growing interest by state legislators, and efforts from diverse sectors (including the federal government) to promote improved education.

School districts traditionally have drawn most of their funds from local property taxes. However, in 1971, the California Supreme Court ruled in *Serrano v. Priest* that the state must ensure equity in education spending among local school districts as part of its guarantee of equal protection under state law. This ruling meant that the California State Legislature was now charged with creating formulas to redistribute property tax revenues from districts with higher land values to those with lower ones. Lawsuits and legislative action in other states led to similar results elsewhere.

Financial involvement, not surprisingly, has led to additional efforts by state governments to influence schools (Spring, 1993). One of the most common methods is through competency testing for students and teachers. Members of state legislatures have begun to specialize in education issues as well, and these work closely (though sometimes at odds) with officials in the state departments of education. In addition, statewide teachers' organizations and business associations exercise influence on education policy through their contacts in state government. Statewide nongovernmental organizations also have become more important, including groups such as the National Governors Association, the Council of Chief State School Officers, and the Education

Commission of States, which essentially promote national discussion of issues of concern for the states.

The US primary public school system remains highly decentralized, in spite of this shift toward greater state involvement. One disadvantage of this type of arrangement is that lessons learned in one state are not always appreciated (or avoided) in others. However, the perceived advantages of local control over curricula, combined increasingly with state performance standards, mean that efforts to exert nationwide control over reforms are unlikely to succeed. Nevertheless, national politicians and the national Department of Education continue to use their bully pulpits to promote local policy experiments.

Reforms and Local Governments

Mexican Municipalities

In general, Mexican municipalities have few functions with regard to education, and most of these are optional, and undertaken at the discretion of the municipal council. The reforms to the Federal Education Law did endow municipalities with new powers to intervene in public education. They are allowed to provide education services of any kind, offer library services, and encourage research, as well as edit textbooks to complement those published by the SEP. They are encouraged to take part in the maintenance and supply of basic equipment to public schools, and they are permitted to reach agreements with state authorities to coordinate educational activities. However, few municipalities actually have the administrative and financial capacity to make use of these new powers. Those that have so far are mainly large urban municipalities, which have both the expertise and the political clout to demand that the states permit them to exercise new responsibilities.

As mentioned earlier, the education reform also tried to institutionalize and formalize the participation of parents, and of society in general, in public education. Citizen participation boards were created at three levels: the school, the municipality and the state. All three are similar in structure and have practically the same powers and limitations. The boards are formed by parents, teachers, school authorities, representatives from the teachers' union, and other members of the community. Their function is to review the results of school assessments and progress in school activities; they may also express an opinion on teaching matters and request specific work to improve the schools' facilities.

The Federal Education Law also opened another method of participation only to parents. The Parents' Associations for each school are intended to represent the common interests of the members before school authorities. Furthermore, they are designed to encourage community participation and improvements to the schools, by raising money from members to the school.

These groups should also inform the education authority of any irregularities found, although, once again, they cannot intervene in the teaching or labor aspects of the school. Thus, the institutional mechanisms for citizen participation in education do not offer effective control over the work of teachers and education authorities. Generally, control over these actors results from political pressure applied from outside the institutional structure, including elected representatives and media coverage.

US Local Governments

In contrast to Mexico, and in spite of moves toward greater state involvement, most areas of decision making regarding public primary education remain in the hands of local school boards, as the executive authority of most school districts are known. These boards consist of members who are popularly elected, typically on nonpartisan ballots, which ensures at least indirect local community control over their decisions. School boards set school policy, ranging from curriculum to performance standards to regulations, and hire a superintendent to take charge of day-to-day management. School boards also have the power to levy local property taxes, as well as issue bonds to cover debt.

The principal reform effort in the 1990s at the local level is known as Site-Based Management, which attempts to improve student performance through increasing school autonomy. This may appear to contradict the tendency to concentrate increased authority at the state level, but analysts argue that it is more a tool for implementation of existing policy, rather than a real shift in power to individual schools (Spring, 1993).

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