The Politics of Education Decentralization in Latin America: Rhetoric and Reality in Chile, Mexico, Argentina, and Nicaragua

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During the 1990s virtually every country in Latin America was engaged in some form of education “decentralization.” For some countries, such as Chile and Argentina, this represented a continuation of processes begun in earlier decades; other countries, like Nicaragua, began the decade with centralized public education systems. The emergence during the 1980s of an international consensus favoring neoliberal economic policies led to the widespread adoption of decentralization as a fundamental principle in the restructuring of the education sector (Rhoten 2000, 601-603; Murillo 1999, 32-34). While the rationales (Lauglo 1995) given for education decentralization, and the narratives (Rhoten 2000) and discourses (Dussel et al 2000) constructed around it, were often similar, the actual policies adopted differed (in some cases substantially) across countries and even between localities within countries.

In this paper I present case studies of education decentralization in Chile, Mexico, Argentina, and Nicaragua in order to identify patterns among and variation between decentralization programs. While the influence of the international financial institutions (IFIs) on education reform in all four countries was apparent, there was still room for politics at the national level to shape policy outcomes. I focus on three factors that shaped national-level education policy: the nature of national-subnational linkages, the attitude(s) of the central bureaucracy, and union resistance. Much of the politics of education decentralization occurred at the elite level, within parties and particularly the executive branch. In these four cases, the only mass actor involved in negotiating decentralization arrangements was organized labor, and in Argentina and Nicaragua even the teachers unions were virtually excluded from the process. Although the rhetoric emerging from the IFIs emphasized the importance of social participation in the education sector, decentralization was a top-down not a bottom-up process in all four countries. Before turning to the case studies, I briefly discuss the international context and the rationales for education decentralization that emerged from the multilateral development community.

**The International Context**

In Latin America the debt crisis of the 1980s, beginning with Mexico's near financial collapse in 1982, put the final nail in the coffin of the already ailing state-centered model of national development. A consensus emerged within the international financial community and (eventually) among Latin American policy makers that the new development model for the region would have to be export-oriented and based upon market forces rather than state planning. The “Washington consensus” called for painful short-term stabilization measures (devaluation, high interest rates, cuts in government expenditures) as well as more sweeping and longer term structural reforms (privatization, an end to protectionism, de-regulation of capital markets, and increased foreign investment). In the social sector, decentralization often accompanied other structural adjustment measures.

The initial recession, or “shock,” caused by these programs hit the region's poor the hardest and created a significant sector of “new poor,” former members of the lower-middle class who found themselves out of work and without adequate social safety
nets to catch them. An end to consumer subsidies on basic staple items, cutbacks on social programs, and increased unemployment (as formerly protected firms went under and newly privatized firms downsized) resulted in considerable economic hardship for the majority of the region’s population. So-called IMF riots hastened the demise of military regimes in Brazil and Argentina and called into question the capacity of new (and old) democratic governments to manage the widespread social discontent resulting from market reforms (Walton 1989).

With the collapse of the national-development state in the 1980s and its replacement with a market-based development model, the state’s role in service provision has been redefined. States have gone from providing universally guaranteed social services on the basis of citizenship rights to playing a “subsidiary” role in service delivery, stepping in with “social safety nets” to catch only those who cannot afford privately-provided services. Social policy reforms which accompanied structural adjustment programs are based on three reinforcing pillars: privatization, decentralization, and targeting (Vilas 1996, 19; Vergara 1996; Hershberg 1997, 353). Privatization transfers responsibility (and resources) for social service provision from the state to the private sector. In Chile, education reforms in the early 1980s allowed private, state-subsidized schools to receive the same amount of transfers as the public schools. In Nicaragua, the autonomous schools program made user fees mandatory at the high-school level and many feared this represented the first step toward education privatization (Gershberg 1999a). At the same time, the decentralization of public schools in all four cases presented in this paper was explicitly intended to facilitate the targeting of limited state resources toward the poorest sectors.

Functional decentralization, especially fiscal decentralization and the administrative decentralization of social services such as education and health care, has been advocated by multilateral development agencies such as the World Bank, Inter-American Development Bank (IDB) and the United States Agency for International Development (USAID) and adopted by Latin American policy makers as a means to improve efficiency in service delivery while holding down costs. This is often achieved (as will be seen in the case studies below) through decreasing the power of public sector unions to demand higher salaries and by having subnational governments and consumers contribute to program funding by increasing local taxes and imposing user fees. Rhoten (2000, 602) contrasts this “first wave” of administrative and fiscal decentralization during the 1990s with the “second wave” of social and political decentralization which followed it. In response to critics of neoliberal social policy reforms, the multilateral development agencies shifted their discourse from that of cost efficiency to local democracy. In the education sector this meant focusing on school autonomy and community participation as observed in the World Bank’s official position on education decentralization:

> Increasing involvement of parents and communities by making schools autonomous and accountable can offset the power of vested interests. ... Around the world, parents and communities are becoming more involved in the governance of their children’s schools, and many countries have found that communities which participate in school management are more willing to assist in the financing of schooling. (World Bank 1995: 14, 120 quoted in Rhoten 2000, 603)
Both of these decentralization “narratives” made their way into the national policy discourses in all four of the cases discussed in the following section, although only in Nicaragua were cost-cutting measures combined with effective school autonomy and parent participation. And perhaps not coincidentally, Nicaragua is the case in which equitable access to education was most threatened. Whether or not it is the case that decentralization has been implemented to “mask” neoliberal reforms in the social sector as critics assert (Birn et al 2000; Dussel et al 2000), education decentralization measures should certainly be evaluated in light of accompanying developments including potential “cuts in social spending, increases in user fees, privatization, [and] the removal of universal benefits” (Birn et al 2000, 126).

Patterns and Variation in National Education Decentralization Programs

In this section I describe the process of education decentralization in Chile, Mexico, Argentina, and Nicaragua. In the following section I discuss three factors that help to explain similarities and variation across the cases: strength of public sector unions, attitudes of the bureaucracy toward decentralization, and national-subnational linkages (particularly in terms of political party organization). These four cases were chosen because they provide a significant degree of variation on all three of these explanatory variables as well as representing a variety of approaches to education decentralization.

For each country I briefly describe the decentralization rationale(s) and overarching approach(es) to decentralization and then focus specifically on the role of the central government (particularly the education ministry) in the “decentralized” new order, the degree of subnational control in areas such as resource and personnel management, the level of community participation at the local level, and the overall degree of decentralization. The results are summarized in table 1 at the end of this section. One striking similarity in all four cases was the continued (and in some cases increased) involvement of the central education ministries in education policy development and oversight. Gorostiaga (2001, 562) and others (Bray 1999; McGinn 1992; Ridell 1997) label this trend “centralization/decentralization.” They claim that the transfer of school administration to subnational government and the focus on school autonomy accompanied by “the centralization of planning and evaluation” results from national demand for education services in the context of limited budgets and globalization pressures. While the case studies provide evidence for this trend, the degree to which subnational governments and schools were given resources and autonomy varied substantially across the four countries.

Chile

Chile’s education (and health care) decentralization process has been held up by the multilateral development agencies as a model for other countries in the region to follow (IDB 1994). The Chilean approach to education decentralization, often labeled

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1 Dussel et al (2000, 538) refer to this trend as the “reterritorialization of the curriculum field.”
“municipalization,” involved transferring administrative responsibility for primary and secondary school administration from the education ministry to the 341 municipalities. Because Chile is a unitary state, the municipalities are the only level of subnational government available to administer decentralized services. Consequently, the rhetoric of restoring the federal balance present in Argentina and Mexico was not part of the decentralization discourse in Chile. Education decentralization in Chile can be divided into two periods: the period of the initial transfer of schools to the municipalities during the Pinochet regime (1973-1989) and the period of education reform following the transition to democracy in 1990. During the first period, the rationale for education decentralization centered around increasing efficiency through the introduction of market and quasi-market mechanisms (“school choice”) and decreasing the central budget. A less-publicized intention was to prevent the emergence of a strong national teachers union. During the second period, education decentralization was portrayed as a means to achieve community participation and improve education quality through innovative programs at the school level, thus paralleling the shift in decentralization discourse at the international level discussed above.

As just observed, the initial transfer of schools to municipal administration occurred during a period of military rule, thus at the time there was no effective resistance from teachers (the teachers union was dissolved after the military coup), central bureaucrats (those who opposed decentralization were either by-passed or fired), or municipal officials (mayors were appointed directly by General Pinochet). The transfer was initiated with little fanfare in the enabling legislation of the 1979 New Municipal Revenue Law. The need to balance central control over policy decisions with municipal administrative control led to shared responsibilities for the schools: the education ministry maintained responsibility for technical and pedagogical decisions while municipal administrators were in charge of overseeing the day-to-day operations of the schools, maintaining school buildings, and personnel administration (hiring, firing, and assigning teachers and other school staff). Eighty-seven percent of public schools were transferred to municipal control between 1980 and 1981 with the remainder transferred by the end of the decade after delays caused by the 1982 recession (Carciofi et al 1996, 97).

The funding for municipal schools came from a central per-student subsidy to cover school operating costs (including teacher salaries) and a municipal contribution to cover school maintenance and improvement. Because municipalities had (and still have) very few revenue-raising powers (basically limited to fees for vehicle circulation and business licenses) a common municipal fund (Fondo Común Municipal, FCM) was created by the 1979 municipal revenue law to facilitate municipal support of decentralized services. The Chilean decentralization model also introduced elements of privatization and market competition as private schools became eligible to receive the

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2 The military government created 13 regions, but these exist only as administrative units of the central government. Regional intendants are appointed by the president and regional councils are indirectly elected by municipal council members from the corresponding region.

3 Sixty percent of the revenue collected from the property tax was designated to the fund along with half of the vehicle license fees collected by each municipality. The funds were distributed according to a formula that considered municipal poverty and population levels.
same per-student subsidy as the municipal schools, and parents were free to enroll their children in the school of their choice (a quasi-voucher system). Over a thousand new subsidized private schools were established in the first five years following the reform (Montt and Serra 1994, 13).

While central education spending increased during the first two years of the reform, the 1982 recession forced it to de-index the per-student subsidy from the inflation rate, causing a decline in the real value of education transfers of 26% for primary education and 30% for secondary education between 1981 and 1985 (Carciofi et al 1996, 98). Figure 1 illustrates the trend toward decreased spending on education during the rest of the period of military rule, and the subsequent re-funding of the education sector after the transition to democracy.

![Figure 1. Education Ministry Spending](image)

Source: Ministerio de Educacion (Chile) 1996a

The quasi-voucher funding system did not necessarily lead to increased efficiency as parents lacked sufficient information about their choices, and the private-subsidized schools could deny students entry (thus leaving more difficult students to the municipal schools). Competition did not necessarily increase the quality of education as private schools focused on “status” elements like fancy names (preferably in English) and uniforms. Both private and municipal schools resorted to practices such as grade inflation to maintain student enrollment (Carciofi et al 1996; Gauri 1998). Additionally, continued central control over the curriculum and pedagogical practices, added to insufficient resources, constrained local innovation. As a municipal functionary observed in the mid-1980s, “the governmental ministries (health, education) transfer resources to the local level, oversee these resources and enforce the completion of technical norms.
There is a lot of rigidity ... This discourages local initiative” (quoted in Raczynski and Serrano 1987, 141). Deteriorating physical plants, schools forced to offer morning and afternoon shifts reducing the number of classroom hours for students, and “taxi” teachers who taught mornings at one school and afternoons at another to make ends meet were just some of the legacies of the military regime's education policies.

Following the transition to democracy in 1990, Serrano et al (2001, 141) have observed that the “process of decentralization and educational reform ... are following parallel – not complementary – paths.” Education reform in the 1990s and 2000s, particularly reforms pursued during the Eduardo Frei administration (1995-1999) under the banner of “Reforma Educativa,” generally increased the discretion of central officials in formulating goals, standards, and guidelines. Nonetheless, central officials did increase the level of the per-pupil subsidy beginning in 1991 (see figure 1) and increased the transparency of the allocation process. Programs such as the Program to Improve Educational Quality and Equity (MECE), funded in part by the World Bank, and the program for the Improvement of Education in Poor Zones (P-900) initiated in the early 1990s under the Patricio Aylwin administration (1990-1994) provided resources for municipal education systems and municipal administrators pushed schools to apply for these funds. The Frei government dedicated even more resources to education under the rubric of its comprehensive “Educational Reform” initiative. The MECE and P-900 programs were expanded along with other programs aimed at pedagogical improvement at the school level, initiatives to improve teacher training and motivation, and a gradual transition to a full school day (as opposed to the dual morning and afternoon shifts mentioned previously).

Some central initiatives, such as the educational improvement projects (PME) funded through the MECE program, gave a great deal of discretion to school officials, while others, such as the P-900 program, involved significant micromanaging by education ministry supervisors. The PME represent the first step toward what has been termed “pedagogical decentralization” by creating a space for teachers collectively to evaluate their schools' needs and design projects to meet those needs. Examples of projects implemented in the schools include folklore workshops, innovative programs to improve math skills, and facilities for art instruction. The teachers receive support from the ministry's provincial departments in formulating their proposals, which are then submitted for the ministry's consideration in annual competitions. By 1997, the ministry had funded 3,111 projects (Courard 1998, 163).

While the PME improved teachers' participation within the schools and contributed much needed materials and financial support, there is little empirical evidence to support the education ministry's claim that they have significantly altered the schools' relationship with the larger community (Ministerio de Educacion 1996a, 57; Kubal 2001 ch. 4 & 6; Courard 1998). Another ministry initiative, the Annual Municipal Education Plan (PADEM), also succeeded in increasing teacher and administrator involvement in school management, but generally failed to include parents, students, or community members in meaningful decision making (Kubal 2001; Ramirez and Zuniga 1997). It is worth noting that structures for participation at the school level such as teachers councils and education management teams (equipos de gestion educacional,
EGE) were centrally-designed and mandated rather than emerging “organically” from the grassroots in a decentralized fashion.

At the same time, the 1991 teacher statute (Estatuto Docente) established central standards for teacher career advancement, job security, and a minimum wage above that of other public sector employees, and the new teachers union (Colegio de Profesores) began to negotiate salary increases with the central government as was the practice in the pre-authoritarian (pre-decentralization) period. In practice, the teacher statute represents an overarching policy of centralized personnel administration. As the Chilean Municipal Association’s (ACM) education representative put it, “once a municipality receives [its subsidy] and distributes the money to pay salaries and basic costs, the money for education and health is gone, and with it financial autonomy” (1997 interview with author). At the time the teacher statute was negotiated, education secretary and Socialist Ricardo Lagos (now president) was more concerned with generating political goodwill amongst the teachers and their union leaders than with objections of municipal officials who at the time were not popularly-elected.

The one case of large-scale innovation in municipal education administration illustrates this point. During the 1990s control over schools in Chile’s wealthiest municipality, Las Condes, was handed over to the teachers. In order to make this possible, the municipality matched the central government’s per-pupil subsidy. One education analyst observed that the Las Condes experiment was not reproducible. The vast majority of Chile’s municipalities lack the resources to undertake such an initiative (1997 interview with author). In the municipality of Penalolen the municipal council considered adopting the Las Condes model, but according to one council member it was not economically feasible (1997 interview with author).

The reforms of the 1990s brought out some of the contradictions in Chile’s education decentralization model, particularly the tensions between local and central administrators. The ministry’s focus on the schools, rather than the municipalities at a time when (some of) the newly-elected and autonomous municipal administrations were beginning to take an active interest in improving local education created tensions between the center and localities rather than enhancing local autonomy. One education ministry official remarked that legally the ministry’s responsibility was to support the education establishments, it was not obliged to go through the municipalities although there was movement in this direction (1997 interview with author). One researcher who worked on an interior ministry sponsored evaluation of the PADEM observed that tensions between ministry supervisors and municipal officials were particularly visible in municipalities where mayors and/or municipal education departments took a strong interest in technical and pedagogical issues (1997 interview with author).

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4 The military regime established the Colegio de Profesores in 1984 and placed its own supporters in leadership positions. During the course of the transition the regime lost control over the leadership, and as is discussed in the following section the teachers union emerged unified and (relatively) powerful in the new democratic regime.

5 Mayors and municipal council members were not elected until 1992 after modifications to the Pinochet constitution.
Thus, by the end of the 1990s Chile had experienced the trend toward “centralization/ decentralization” described above. Not only did education policy formulation and evaluation remain centralized, but the education ministry also re-centralized elements of personnel administration. While programs such as the education improvement projects and the potential for municipalities to propose curricular reforms (subject to ministerial approval) allowed for some innovation at the local level, central control over resources limited local autonomy and the overall level of education decentralization in Chile was low to medium (table 1).

**Mexico**

In Mexico, the large-scale transfer of primary and secondary schools from the national government to the states (or “federalization”) began after 1992 when the administration of Carlos Salinas de Gortari (1988-94) reached a National Agreement to Modernize Basic Education (ANMEB) with the state governors and the national teachers union (SNTE) (Tatto 1999, 260). The prior deconcentration of the education ministry (*Secretaria de Educacion Publica,* SEP) bureaucracy into federal delegations, or Coordinated Services of Public Education (SCEPs), in each of Mexico’s 31 states beginning in 1978 facilitated the transfer of national schools to state governments in the 1990s (Gershberg 1999b; Tattoo 1999). In 1993 a General Education Law solidified the progress made in the National Agreement, making the decentralization process difficult to reverse (Gershberg 1999b, 68).

Although the 1917 Constitution gave responsibility for primary education to the municipalities and secondary education to the states, “by 1991-92 the SEP was managing 65 percent of the students and the federal government was paying for 80 percent of education expenditures” (Murillo 1999, 38). Attempts to deconcentrate the federal education bureaucracy, mentioned above, were undermined by SNTE influence over ministry officials, and during the administration of Miguel de la Madrid (1982-87) the teachers union gained control over 40% of the federal delegations. Thus it was significant that the SNTE signed the National Accord, and union cooperation facilitated the transfer of “513,974 teachers, 116,054 administrative employees, 1.8 million preprimary pupils, 9.2 million elementary students, and 2.4 million secondary students from national to state-level jurisdiction in 1992” (Murillo 1999, 39). Although states assumed administrative authority over the national schools, during the 1990s the central government continued to fund the system at the same level (80%) it had before the transfer, and some some states, Zacatecas for example actually decreased their share of education spending (Gershberg 1999b, 69). Significantly, the transfer of funds from the national to state governments was not transparent, and federal allocations were “annually negotiated, discretionary transfers” (Gershberg 1999b, 70).

Similar to the discourse surrounding Chile's Education Reform of the 1990s, the rhetoric surrounding the recent reforms in Mexico focused on the priorities set out by the multilateral lending institutions in the “second wave” of decentralization literature which advocated social and political transformation. As stated in the National Agreement, the goal of Mexico's decentralization was to “transform in its entirety
Mexico's basic education, including not only the curricular contents but also teaching methods, school organization, social participation and school connections with the community” (Secretaria de Cultura y Recracion [SECyR], Acuerdo Nacional de Modernizacion de la Educacion Basica, Guanajuato: SECyR, 1992, p. 3 as quoted by Tato 1999, 270). The transfer of schools to the states was also justified in “first wave” terms of cost efficiency by President Salinas in 1989: “the centralized system is exhausted and, thus, is expensive and inefficient” (quoted in Murillo 1999, 34).

However, like Chile, Mexico's decentralization process has been highly controlled by the central ministry which retains authority over the curriculum, teacher training, and evaluation. As Tato (1999, 282) observes, “[d]ecentralization' of education in the Mexican context seems to be a strategy for achieving the goals of the federal government in what amounts to a set of incentives to mobilize local energies and resources, not an unconditional invitation to local actors to assume initiative or responsibility.”

One of the reasons the SNTE changed its position and supported the transfer of national schools to the states is that it was able, as was Chile’s teachers union after 1990, to negotiate central guarantees of working conditions and salaries and the ability to negotiate separate state-SNTE agreements. Gershberg (1999b, 70) observes that “[t]eacher salaries constituted 90% of expenditures in the sector, and teacher salaries continued to be negotiated in Mexico City, between the teachers' union and the ministry, with some involvement of the President himself.” Thus discretionary spending amounted to only about 10% of funds administered by subnational officials. Ironically, states actually lost control over salary negotiations in the schools that they had run prior to the transfer of the national schools (Gershberg 1999b, 70).

The central discourse of increasing state autonomy, particularly in regard to curriculum reform, caused tensions as many states took the decentralization rhetoric seriously only to find that room for local innovation was limited (Tatto 1999, 280). The central ministry retained control over curricular development, and state proposals for curricular changes must be evaluated and approved by central officials. State education officials in Hidalgo engaged in a bureaucratic battle with the ministry in order to implement a pre-school program that introduced reading and writing skills to children because it “violated federal norms” (Gershberg 1999b, 72). While the state of Chihuahua implemented a “highly conservative values education program” in 29 of its public schools over ministry objections, thus denying the center its official veto over curricular reform (Tatto 1999, 280). It is interesting to note that Chihuahua is located in the north of Mexico, a region where the (then) opposition PAN party had its power base. In Argentina, traditional political affiliation also affected the receptivity of subnational officials to centrally-mandated education “decentralization.”

The central ministry's control over the reform process not only created tensions with state education officials, but also undermined the emergence of “organic” instances of participation within the schools and stifled the community participation emphasized in its decentralization discourse. In order to increase teacher involvement in school management the ministry mandated technical councils be established in each school to democratize school management and oversee curricular and pedagogical improvements at the school level. In practice these councils are often subverted to
principals' and teachers' “personal agendas,” and, ironically, the rigid ministry guidelines governing the structure and functioning of the technical councils undermines the goal of fostering more “organic” participation at the school level (Tatto 1999, 261-62). The 1992 National Agreement also called for the creation of social participation councils in all public schools, but IDB observers found little evidence that they were operating as intended. “[B]y 1996 the State of Hidalgo had formally constituted 4270 CPSs [social participation councils] in order to comply with the law. Finding even a few that worked, let alone any that worked according to regulations, proved difficult. ... The decentralization legislation thus paid lip service to citizen participation, but it was written in a void detached from social reality” (Gershberg 1999b, 72).

Interestingly, the overall level of decentralization in the education sector in Mexico, a federal state, was similar to that of Chile, a unitary state. As in Chile, centralization of both policy and personnel administration accompanied the transfer of school administration to subnational governments, and in both cases the central government continued to provide the bulk of funding for the system although the transfer process was somewhat more transparent and automatic in Chile.

Argentina

As in Chile, the transfer of primary schools to subnational government in Argentina began under military rule, but unlike the Chilean case the transfer was completed under civilian rule in the early 1990s. The process of federalization, or “provincialization” as it is often referred to in the Argentine case, began haltingly under military rule in the late 1960s, was postponed with the return of civilian rule in 1973, and the transfer of national primary schools to the provincial level was completed under military rule in 1978. Yet in the 1980s, 44.7% of secondary schools and 32.5% of vocational schools remained under national jurisdiction (as compared to 1.9 percent of primary schools) (Murillo 1999, 40). In 1991 the Argentine congress passed President Carlos Menem’s Law for the Transfer of Educational Services, and in 1992 the transfer of national schools to provincial jurisdiction was completed. Unlike the Chilean and Mexican cases, in Argentina schools were transferred without “accompanying technical, financial, or institutional resources” (Rhoten 2000, 605; Gorostiaga 2001, 568).

The provincialization, or transfer, of schools to the provinces, represents the first phase of education decentralization in Argentina (Rhoten 2000; Gorostiaga 2001). In 1993 the Federal Education Law initiated the second phase of education reform with a major restructuring of the education bureaucracy, and it effectively centralized control over education policy, oversight, and evaluation. Thus, the “centralization/decentralization” trend observed in Chile and Mexico was also present in Argentina, although the Argentine education ministry appeared to allow for more flexibility at the provincial and school level than its Chilean and Mexican counterparts as is discussed below.

Rhoten (2000, 605-06) observes that the rhetoric accompanying these two reform phases paralleled the rhetoric of the multilateral lending agencies, as described above. In fact, both the World Bank and Inter-American Development Bank were
involved in the design of Argentina’s education restructuring (Gorostiaga 2001, 567-68; Dussel et al 2000, 545). During the transfer, President Menem emphasized the cost-effectiveness of education decentralization, using such terms as “rational administration” and “optimizing resources,” but the official discourse shifted to encompass notions of “social participation” and “school autonomy.” The language in a 1991 education ministry document sounds like it could have (and perhaps did) come from the World Bank itself:

New forms of governance and management are necessary to design and execute an education transformation, as centralized and bureaucratic forms have constituted a factor of disarticulation, of dispersion of responsibilities, and of backwardness. ... To achieve these objectives, actions will be carried out that move toward ... concretizing social participation at all levels of educational governance and management. (Ministerio de Cultura y Educacion de la Nacion 1991 as quoted by Rhoten 2000, 606).

Dussel et al (2000) argue that during the 1990s, the discourse of democratization and social participation, was used to “cloak” the national government’s neoliberal economic program. “[D]emocratic” has come to be equated to ‘local’, ‘private’ endeavours ... [and] microinstitutional practices,” thus absolving the national government of responsibility for constructing “the new social agenda” which is now the responsibility of schools and individuals (Dussel et al 2000, 542).

Yet during the second phase of decentralization, the education ministry gained control over “the common curriculum content; evaluation of outcomes; compensatory programmes; and in-service teacher training” (Dussel et al 2000, 545). The 1993 education law created a Federal Council of Education which allowed central education officials to disseminate national policies and coordinate provincial activities. Although the provincial education ministries participated, the federal council was a space for central officials to transmit ministry policies rather than a space for subnational officials to propose policies (Gorostiaga 2001, fn. 14; Dussel et al 2000, 545). The council’s curricular reform theoretically focused on the school as “the fundamental unit for the specification of the educational project,” but critics have charged that in practice school autonomy is limited to a “menu of options” set at the national level (Gorostiaga 2001, 568; Dussel et al 2000, 549). Still, the Argentine reform formally gives schools more autonomy in their management than either the Chilean or Mexican measures, which tended toward micro-management at the school level. In Argentina school officials were encouraged to design their own governance structures reflecting local realities, rather than forced to set up “representative” councils according to ministry guidelines, and were given flexibility in scheduling, use of physical space, and grouping students (Gorostiaga 2001, 569).

Additionally, provincial education administrators had more control over resources and personnel than their counterparts in Mexican states and Chilean municipalities. Although taxes were centrally-collected, as in Chile, Argentine governors receive a fixed percentage of the total (56.6% since 1987) to spend as they pleased, in an arrangement called “co-participation” (Eaton 2001, 108). While this percentage did not increase after the 1992 school transfer, central officials made the case that tax revenues had increased and the provinces could use their share of the increase to finance the new
schools (Gorostiaga 2001, fn. 13). In addition, the “neediest” schools (based on criteria of school infrastructure, social background of students, and drop out rates) were targeted by the national government to receive resources and training as part of its Social Plan (Dussel et al 2000, 543; Gorostiaga 2001, 568). Additionally, Argentine governors were free to negotiate salary levels with teachers unions, instead of having to accept centrally-set levels as in Chile and Mexico. As will be discussed below, this difference is related to fragmentation and competition within and among Argentine teachers unions, in contrast to unified national unions in Chile and Mexico (Murillo 1999).

In terms of increasing community participation at the local level, the Argentine reforms appear to have varied results. Dussel et al (2000, 546) note that in Buenos Aires province resources are available for community groups to propose and oversee school improvement projects. While potentially empowering, partisan political ties affect which groups get funding. Equity is also an issue as those local groups with greater social and economic resources are better positioned to write effective proposals. On the other hand, Rhoten (2000, 614) found evidence of social participation and democratic decision making in the province of Mendoza (although she found contrary experiences in Cordoba and Jujuy provinces). While, Argentina appears to have gone further in its education decentralization than Chile or Mexico, Nicaragua has come the closest to achieving school autonomy and local control (see table 1).

**Nicaragua**

While all four cases discussed in this paper are unique, Nicaragua stands out for two reasons: its poverty and its recent revolutionary past. Nicaragua is the second poorest country in the hemisphere and in 1990 experienced a peaceful regime change from a revolutionary government controlled by the Sandinistas (FSLN) to a conservative civilian regime headed by Violetta Chamorro. These two contextual factors will be discussed further in the following section because it is likely that they contributed to the nature and degree of education decentralization in Nicaragua. Indeed, the counter-revolutionary bent of the Chamorro government was reflected in the discourse on educational decentralization which focused on “individual freedom from state indoctrination” and “a greater role for the private sector and parents in decision making” in order to “strengthen democratic processes and reduce educational costs” (Arnove 1995, 37-38). Again in the case of Nicaragua we see decentralization justified in terms of cost-effectiveness and democratic participation. Nicaragua’s education reforms were supported by the World Bank, IDB, and USAID, the latter even funding an “occupational conversion” severance plan that facilitated the retirement of former Sandinista militants from the education ministry (Arnove 1995, 38; Gershberg 1999a, 10). This had the effect of eliminating any bureaucratic resistance to decentralization from Sandinista loyalists as did the elimination of over half of the central ministry positions (Arnove 1995, 38).

Since 1993 the education ministry has pursued two decentralization models, autonomous schools and municipalization, although by the end of the decade the autonomous schools program was clearly the preferred mechanism with only 10 of 143 municipalities taking administrative control over their schools (Gershberg 1999a, 28). In
characterizing the autonomous schools strategy, Gershberg (1999a, 8) observes that “In nowhere in Latin America have parents officially been given so much responsibility, and nowhere have they been asked to provide directly such a large proportion of school resources.” By 1996 approximately 100 of 250 secondary schools and over 200 of 4,288 primary schools had entered the autonomous schools program, all having been carefully selected by education ministry officials (Gershberg 1999a, 12, 32). There are three basic components to the program:

1. a monthly fiscal transfer to the school principal to pay for teacher salaries, benefits, and basic maintenance;
2. a school-site council charged with powers over budget, personnel, and (officially) some curricular decisions and evaluation and planning functions; and
3. fees for attendance and/or exams, registration forms, services such as diploma processing, library use, and other services ... which are used to augment teacher salaries or perform other operations as deemed necessary. (Gershberg 1999a, 13)

Initially, the ministry calculated that by requiring the autonomous schools to supplement their operating budgets with fees ($10 cordobas [cs.] tuition per month, or approximately US$2), it could reduce its fiscal transfers enough to save 15 million cs. (approximately $2.65 million) to go toward teacher salaries (Arnove 1995, 39-40). However, Gershberg (1999a, 16-17) contends that “the per-student transfer is supposed to be the same for autonomous and traditional schools,” but the lack of transparency in the budget process makes this impossible to confirm. In fact, Gershberg (1999a, 26-27) argues that because the ministry had such a stake in the success of the autonomous schools program, it has taken advantage of the lack of transparency in the transfer process to clandestinely increase funds for autonomous schools in poor areas, and “if the Ministry truly believes in the program, this extra support is necessary for its success.” In fact, the perception of favoritism is so widespread that local ministry delegates “express fear that they will lose out on World Bank money if they fail to bring schools into autonomy” (Gershberg 1999a, 27).

Although parents were given a significant decision making role in the school-site councils (they fill a majority of seats), the principal signs the “comanagement” agreement with the ministry thus assuming “a position of authority at the outset” (Gershberg 1999a, 17). In practice, there was a range in the quality of parent representation within the schools. IDB evaluators found cases of councils dominated by school principals and others where representatives were democratically chosen by the parents. In those schools with “less than democratic selection procedures” there tended to be “poor communication” between representatives and the rest of the parents (Gershberg 1999a, 30).

As noted above the council has powers over personnel and budgetary decisions as well as some say in the curriculum and planning. Councils have the power to hire and fire teachers and even the principal (which has happened in a few cases). Evaluators also found that the school-site councils tended to exercise their autonomy more in budgetary, salary, and personnel decisions, than with respect to technical matters such as “pedagogy and teacher training” where the ministry continued to exercise control.

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6 In schools with fewer than 500 students the school-site council has five members: the principal, one teacher, and three parents. In larger schools, there are seven members including the principal, two teachers and four parents (Gershberg 1999a, 17).
(Gershberg 1999a, 29-30). When parents did exercise control over the curriculum it was often to “eliminate or tone down sex education.” Although Gershberg (1999a, 18) observes that some ministry officials did not agree with these decisions, this hardly represents a threat to a government and education ministry that have promoted conservative Christian values. Given the role of local ministry delegates in overseeing school-site councils and training council members, it is unlikely that parents or teachers will get too out of line with the ministry program, and if they do the delegates have the power to overrule them.

Teachers’ were generally ambivalent about the autonomous schools program (Arno 1995, 41-2; Gershberg 1999a, 15). On the one hand, they lose job security as the school-site council is given the power to make hiring and firing decisions. On the other, the ministry stressed the role of fees in paying for teacher raises (although it is unclear whether there is a trend in the direction of higher pay for teachers in autonomous schools). The largest teachers union, the Sandinista-affiliated ANDEN, opposed decentralization, but was weakened by its partisan affiliation and competition with three other unions (Gershberg 1999a, 14; Arno 1995, 41-42). Ultimately, as in Argentina the ministry was able to ignore union demands, and there was no provision for union participation in the school-site councils.

Finally, the centrality of user fees to the autonomous schools model raises serious questions around equity (a concern in any situation where local funding is a significant component of service provision, and certainly an issue in the Chilean, Mexican, and Argentine cases) and access to primary and secondary education (while questions of quality in poor areas arise in the other three cases, access is generally not an issue). While ministry officials downplayed the tuition charges, equating the fee to “the price of two beers,” for poor families with many children tuition and additional fees can be prohibitive “easily” adding up to half the family income (Gershberg 1999a, 21). In a situation of widespread poverty and lack of state resources, it may be that the price of improving the quality of education for some students is the lack of access for others. When questioned about the policy of mandatory fees at the high school level, the education minister observed that “in the face of widespread poverty, a stagnant economy, and a trade deficit of over $500 million, there was no other way to raise teacher salaries and improve school facilities” (Arno 1995, 40). Although the ministry attempted to redistribute funds to poorer autonomous schools, as Birn et al (2000, 119) observe in the case of health decentralization “Nicaragua’s 80 percent poverty rate means that a user fee system cannot function if the poor are exempted.” The issues of equity and access in the context of education decentralization are discussed further in the conclusion.

**Summary**

The patterns and variations among the decentralization programs discussed in this section are summarized in table 1.

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7 Apparently challenges of the type hypothesized by Arno (1995, 41) involving school-site councils choosing to re-introduce old Sandinista-era textbooks have not emerged.
Table 1. Education Decentralization Arrangements in Chile, Mexico, Argentina, and Nicaragua, 1990s

<table>
<thead>
<tr>
<th></th>
<th>Chile</th>
<th>Mexico</th>
<th>Argentina</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decentralization model</td>
<td>Municipalization</td>
<td>Federalization</td>
<td>Federalization</td>
<td>Autonomous Schools &amp;</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(decentralization to</td>
<td>(decentralization to</td>
<td>Municipalization</td>
</tr>
<tr>
<td></td>
<td></td>
<td>states)</td>
<td>provinces)</td>
<td></td>
</tr>
<tr>
<td>Level central</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>ministry involvement</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community participation</td>
<td>Low-Medium</td>
<td>Low-Medium</td>
<td>Varies</td>
<td>Medium-High</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(autonomous schools)</td>
</tr>
<tr>
<td>Subnational or</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>school control over:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td>Resources</td>
<td>Medium-Low</td>
<td>Medium-Low</td>
<td>Medium-High</td>
<td>High</td>
</tr>
<tr>
<td>School management</td>
<td>Medium-Low</td>
<td>Medium-Low</td>
<td>Medium-High</td>
<td>High</td>
</tr>
<tr>
<td>Curriculum</td>
<td>Medium-Low</td>
<td>Medium-Low</td>
<td>Medium-Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Supervision &amp;</td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
</tr>
<tr>
<td>Evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall level</td>
<td>Low-Medium</td>
<td>Low-Medium</td>
<td>Medium</td>
<td>Medium-High</td>
</tr>
<tr>
<td>decentralization</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

One striking similarity between all four cases is the high level of education ministry involvement in the design and implementation of decentralization reforms, and the continued role of the ministries in policy formulation and oversight, even in the Nicaraguan autonomous schools program. In none of the cases was decentralization a result of demands from below, which may be one of the reasons that subnational control and school autonomy were limited, even in Argentina and Nicaragua where decentralization was most extensive. These cases provide evidence for the pattern of decentralization/centralization discussed above. On the other hand, subnational bureaucrats and school officials had more control over school management and personnel administration in Argentina and Nicaragua than in Chile and Mexico. The following section looks at some factors that help to explain these divergent outcomes.
Explaining Patterns and Variation

The literature on the politics of decentralization often focuses on the initial decision to decentralize (O'Neill 1998) and/or considers decentralization on a “macro” scale (Willis et al 1999; Eaton 2001), looking at the overall picture of inter-governmental relations within a country. However, given the international origins of social service decentralization initiatives discussed at the beginning of this paper, many countries that arguably have weak or no political and fiscal decentralization are moving to decentralize services such as education. While the national-subnational linkages, specifically the influence of subnational politicians upon political party decisions, that affect “macro” levels of decentralization also have an impact on individual policy sectors such as education, other variables including the intentions and attitudes of the relevant central bureaucracies (in this case education ministries) and the strength of public sector unions also shape decentralization policies and outcomes as illustrated in table 2. If we just look at national-subnational linkages to explain the level of education decentralization we would expect Argentina, a federal state where subnational officials have a significant voice in party decisions, to be the most decentralized and Nicaragua a unitary state with weakly institutionalized parties (excepting the FSLN) and weak municipalities to be least decentralized.

National-subnational linkages

The literature on the politics of decentralization stresses the importance of national-subnational linkages in determining whether effective decentralization will occur. Recent research had focused on the incentives created by internal political party structures (Willis et al 1999). In countries where national-level politicians make party policy, like Mexico and Chile, it is less likely that power and resources will be handed down to the local level. In countries where subnational politicians have a voice in party decisions, as in Argentina, a higher degree of decentralization can be expected. Nicaragua is a bit of an exception to this rule to the extent that subnational (municipal) politicians were fairly weak in the 1990s, but a high degree of decentralization occurred. Significantly, the ministry chose to go with the autonomous schools program and virtually suspended attempts at municipalization by the late 1990s, thus municipal governments were only peripherally involved in the Nicaraguan education decentralization. Also, as noted in the previous section, while the autonomous schools were favored by the ministry, they did not receive significantly more resources than traditional schools and were expected to raise revenues through user fees, so this was not a case of a significant transfer of resources to the local level.

It should be noted that central politicians generally oppose or exhibit an “ambivalent” attitude toward the decentralization of political power and resources to the lower levels of government (Willis et al 1999; Eaton 2001). National executives and legislators can be expected to formulate “decentralization” arrangements that allow them to take credit for improvements in efficiency and governance while maintaining as much control over resources as possible and avoiding responsibility for problems related to poor service delivery. In Chile and Argentina the central education ministries maintained
control over funds “targeted” toward poor schools (through the P-900 and Social Plan respectively), thus allowing them to take credit for equity-enhancing programs. On the other hand, parent complaints would have to be directed toward school and subnational education administrators. In Chile, Mexico, and Nicaragua the central ministry maintained primary responsibility for funding decentralized systems and, particularly in Mexico and Nicaragua, continued to exercise a lot of discretion in determining how these funds were allocated. In all four cases there was a growing tendency for the central ministries to focus on improving the quality of the schools, rather than strengthening the capacity of subnational government.

**Education Ministry Attitudes**

In Latin America, a region where national executives increasingly assume policy making powers from weak legislatures (O’Donnell 1994; Vilas 1997), central bureaucrats often have the ability to facilitate or impede decentralization programs in specific policy areas. In Nicaragua, education decentralization was achieved without consulting the legislature in what Gershberg (1999b) has termed a “ministry-led reform strategy.”

In all four cases presented in this paper the education ministry played a crucial role in formulating and implementing “decentralization” programs. In Nicaragua any bureaucratic resistance to decentralization from Sandinista loyalists was alleviated through retirement incentives funded by the USAID and the elimination of many ministry positions. Local ministry delegates were effectively trained (with USAID support) to “sell” the ministry's autonomous schools program and answer common objections such as that the program would lead to education privatization (Gershberg 1999a, 13). Yet even in Nicaragua where decentralization arrangements came the closest to establishing the local autonomy and social participation emphasized in the decentralization discourse, the ministry effectively maintained control over the curriculum and oversight of the “autonomous” schools.

In Chile, ministry doubts about the capacity of municipal education departments led central education officials to by-pass the municipalities in many of their education initiatives. In addition, the appointment of Ricardo Lagos as the first post-authoritarian education minister gave the teachers union a sympathetic audience at the highest level as its leadership demanded re-centralization of bargaining and working conditions. In Argentina, ministry officials used the provincialization process as an opportunity to regain control over education policy and evaluation during the second phase of “decentralization,” and they used the federal education council as a vehicle to transmit central policies to the provinces. In Mexico, the ministry (and after 1978 its deconcentrated federal delegations) was effectively “captured” by the teachers union whose leaders often worked in the ministry and opposed decentralization. Even after the 1992 National Agreement mandated the transfer of school administration to the states, ministry officials did not force teachers to bargain at the state level. In fact, the ministry actually increased its influence over salaries and working conditions of teachers employed at schools run by the states prior to the federalization of national schools.

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8 Health care decentralization in Nicaragua was also achieved through a ministry-led reform strategy (Birn et al 2000).
Public Sector Unions

Decentralization may be used to create new institutional contexts that favor some stakeholders at the expense of others (despite Dussel et al's [2000] admonition that decentralization should not be seen as a “zero-sum game”). Transferring employees from the central to subnational payrolls greatly increases the number of employers unions have to deal with, thus decreasing their bargaining power and making coordination more difficult. The IDB (1994, 195) has observed that decreasing public sector payrolls affords governments “the opportunity to break the monopoly of labor unions in the social sectors.” On the other hand, strong public sector unions, such as those in Chile and Mexico, may resist the decentralization of personnel administration. Once it becomes clear that the central government is going to transfer responsibilities for service delivery to lower levels of government, we can expect union leaders to push for arrangements that guarantee their right to negotiate salary levels and working conditions with central officials. Weak or fragmented unions and those that do not have the political support of central politicians, such as teachers unions in Argentina and Nicaragua, are less likely to have an impact on decentralization arrangements than centralized unions with a monopoly on membership, like the teachers unions in Chile and Mexico (Murillo 1999). It should be noted that teachers unions in all four countries perceived decentralization as an attempt by central officials to weaken their position, and in all four cases there is evidence that this was the case (Murillo 1999; Gershberg 1999a; Gauri 1998). Yet unions in Chile and Mexico had the organizational resources (and political connections) to shape decentralization policies to their advantage. In fact Gershberg (1999b, 71) observes that the failure of the Mexican education reforms to alter union bargaining relationships was the “biggest complaint” of state education officials, and municipal education officials in Chile also complained of the move to re-centralize personnel administration with the 1991 teacher statute (Kubal 2001).
<table>
<thead>
<tr>
<th>National-subnational linkages</th>
<th>Chile</th>
<th>Mexico</th>
<th>Argentina</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vertical brokerage to subnational officials</td>
<td>One-party monopoly, clientelistic ties to subnational officials</td>
<td>Strong subnational influence within parties</td>
<td>Weak ties to subnational officials?</td>
<td></td>
</tr>
<tr>
<td>Education ministry attitudes</td>
<td>Ministry officials doubt municipal capacity, focus on relationship with schools</td>
<td>Union influence over ministry officials leads to resistance</td>
<td>Use decentralization as opportunity to reassert control over policy and evaluation</td>
<td>Education minister committed to decentralization along neoliberal lines, opponents from previous regime weeded out</td>
</tr>
<tr>
<td>Teachers Union(s)</td>
<td>Colegio de Profesores: Unified, strong</td>
<td>SNTE: Unified, strong</td>
<td>CTERA: fragmented, union competition, affiliated w/ opposition</td>
<td>ANDEN: union competition, affiliated w/ opposition</td>
</tr>
<tr>
<td>Overall level decentralization</td>
<td>Low-Medium</td>
<td>Low-Medium</td>
<td>Medium</td>
<td>Medium-High</td>
</tr>
</tbody>
</table>

Interestingly, decentralization arrangements are most similar in Mexico and Chile. This may seem a bit surprising given that one might have hypothesized programs in Argentina and Mexico would look most alike, given that these are the two larger countries and both have federal systems. However, Argentina's subnational politicians exercised more control over party decisions and ultimately over the national budget as co-participation gave them control over more than half of the country's revenues. On the other hand, during the 1990s politics in Mexico continued to be dominated by the highly-centralized PRI and the centralized teachers union was able to exercise considerable leverage in the design of decentralization arrangements. In Chile, after the transition to democracy in 1990 the teachers union (which had been eliminated as a player under the Pinochet regime) was able to force the re-negotiation of decentralization arrangements, decreasing subnational control over education personnel. Thus in Chile and Mexico there was centralized control over teachers' salaries and working conditions. In Nicaragua and Argentina the largest teachers' unions were weak, affiliated with opposition parties, and faced competition and as a result lacked a significant voice in the decentralization
process. In all four cases “ambivalence” within the central ministries led to arrangements which favored central control over the curriculum and evaluation of education outcomes.

While the three factors I have identified in this section explain much of the variation and similarities across the four cases, there were obviously other dynamics affecting the decentralization process in these countries. In Nicaragua, the ministry was willing to sacrifice some control over school and personnel management as well as the curriculum in exchange for parents assuming some responsibility for funding the education system through fees. While the weakness of the Sandinista teachers union helps to explain why the government was able to implement the autonomous schools program, larger contextual factors may be more important in explaining these outcomes. Specifically, Nicaragua’s high poverty rate (80%), its extremely low GNP per capita ($US 390), its dependence on foreign aid, and its recent revolutionary past combined to make Nicaraguan officials especially receptive to “advice” from bi-lateral and multi-lateral institutions such as USAID, the IDB, and the World Bank which were stressing the need for increased local financing. The government also had to face the reality that it did not have the funds to finance the public education system at the levels necessary for improvement. Thus in concluding this paper I return to the importance of the larger context of structural adjustment and the neoliberal social policy model to the design and implementation of education reform. I also evaluate the extent to which the discourse of decentralization lived up to its promises in the 1990s.

**Education Decentralization: Rhetoric vs. Reality**

As was observed at the beginning of this paper, the discourse surrounding education decentralization focused on cost efficiency and local democracy. Implicit (and at times explicit) in the decentralization rhetoric was that the prescribed reforms would improve the quality of educational services. In my concluding remarks I will briefly address progress in these three areas. There is a dearth of comparable statistical data on the quality of educational services in developing countries. Table 3 contains data compiled by the United Nations Educational, Scientific and Cultural Organization (UNESCO) on five indicators of education quality in the four cases for the 1999/2000 school year. Unfortunately, comparable data for the period prior to the educational reforms of the 1990s is not available, but at least these indicators give us a rough idea of the performance of educational systems at the end of the decade.

Interestingly, if we treat the pupil/teacher ratio in primary school classrooms as an indicator of educational quality, it would seem that Mexico and Argentina were ahead in this area with significantly smaller class sizes than Chile and Nicaragua. On the other hand, if we were to take the pupil/teacher ratio as an indicator of cost efficiency, Chile and Nicaragua would be ahead serving more students with fewer human resources. An in-depth discussion of the potential contradictions between the various

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9 According to UN figures Nicaragua’s level of net aid per capita in 1999 was US$137, compared to US$3 per capita for Argentina and US$5 per capita in Chile (UNESCO 2000).
decentralization objectives is beyond the scope of this paper, but as this example and the discussion of budgetary resources below indicate, it is likely that all good things do not go together in the case of education reform. In terms of enrollment, the Mexican and Argentine educational systems appear perform at the maximum level enrolling one-hundred percent of students at the proper age level. The poorer performance of Chile and Nicaragua can be explained in part by the number of over age students (either late starters or due to repetition) in the system, Chile with 16.3% over age students and Nicaragua with 14%. Not surprisingly, enrollment rates decline at the high school level in the three countries for which data is available, with Argentina and Chile outperforming Mexico. The results are not surprisingly similar for school life expectancy, with students in Chile and Argentina attending on average two more years of classes than students in Mexico. Unfortunately, data on these two indicators is not available for Nicaragua because they might shed some light on the impact of school fees on high school attendance and access to secondary education. The data on youth literacy rates indicate that almost 30% of Nicaragua's young people have gained very little from the educational system there, lacking even basic reading skills. While this represents a slight improvement from the 68.2% literacy rate in 1990, the Nicaraguan education system seemed to be performing at a lower level in terms of quality and access than those of Argentina, Chile, and Mexico.10

Table 3. Education Quality in Chile, Mexico, Argentina, and Nicaragua 1999/2000

<table>
<thead>
<tr>
<th></th>
<th>Chile</th>
<th>Mexico</th>
<th>Argentina</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pupil/teacher ratio</td>
<td>33</td>
<td>25</td>
<td>22</td>
<td>34</td>
</tr>
<tr>
<td>ratio primary education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999/2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net enrollment ratio*</td>
<td>88.9</td>
<td>100</td>
<td>100</td>
<td>79.4</td>
</tr>
<tr>
<td>primary education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999/2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net enrollment ratio</td>
<td>71.8</td>
<td>57.4</td>
<td>76</td>
<td>---</td>
</tr>
<tr>
<td>secondary education</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1999/2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>School life expectancy**</td>
<td>14</td>
<td>12</td>
<td>14</td>
<td>---</td>
</tr>
<tr>
<td>1999/2000</td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

10 As part of its 1979 Literacy Crusade the revolutionary Sandinista government was able to reduce illiteracy from 50% to 13% in one year using a Popular Literacy Army of over 55,000 volunteers (Miller 1982, 256). Many of the gains made in this campaign were rolled back in the 1980s as the Sandinistas faced a U.S.-backed insurgency which often targeted community development programs such as the Literacy Crusade. Additionally, the Sandinistas were forced to cut funding for social programs as they dedicated more resources to the war effort.
<table>
<thead>
<tr>
<th>Youth literacy rate (15-24)</th>
<th>Chile</th>
<th>Mexico</th>
<th>Argentina</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>98.9</td>
<td>97</td>
<td>98.6</td>
<td>71.6</td>
</tr>
</tbody>
</table>

Source: UNESCO 2002

*Net enrollment ratio is the number of pupils at a given level as a proportion of the number of children in the relevant age group in the general population (excluding pupils who are older or younger than the given level – i.e. early and late starters).

**Expected number of years of formal schooling.

It is unlikely that the disparity in performance between Nicaragua and the other three cases can be attributed to the nature of its decentralization program, but the centrality of fees to the autonomous schools program in the context of high poverty and illiteracy rates does raise questions about access to primary and especially secondary education in that country. The relatively poor performance of Nicaragua’s educational system is more likely due to high poverty levels within the school-age population and the lack of government funds for education. Table 4 shows that at the beginning of the 1990s the Nicaraguan government dedicated the least amount of resources in terms of total government expenditure toward education of the four countries studied. In Chile, Mexico, and Argentina the proportion of the budget dedicated to education increased, in the cases of Chile and Mexico significantly, during the 1990s. Much of the spending increases in Chile and Mexico went to pay for teacher salary increases, thus strong public sector unions present a significant political obstacle to the goal of cost containment. Again data for Nicaragua is not available. The trend in the other three countries calls into question the discourse of the cost efficiency of education decentralization, and as Gershberg (1999a, 27) observed in the case of Nicaragua the success of the autonomous schools program depended on “clandestine” central subsidies. Thus the goal of cost efficiency might contradict with the goals of increasing equity and quality in public education. Programs such as MECE and P-900 in Chile and Argentina’s Social Plan have had some success in improving quality and access for students, but this success may come at the price of increasing central contributions to the education budget.

Table 4. Total Public Expenditure on Education as % of Total Government Expenditure in Chile, Mexico, Argentina, and Nicaragua

<table>
<thead>
<tr>
<th></th>
<th>Chile</th>
<th>Mexico</th>
<th>Argentina</th>
<th>Nicaragua</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990/1991</td>
<td>10.4</td>
<td>12.8</td>
<td>10.9</td>
<td>9.7</td>
</tr>
<tr>
<td>1999/2000</td>
<td>17</td>
<td>22.6</td>
<td>13.3</td>
<td>---</td>
</tr>
</tbody>
</table>

If decentralization outcomes in terms of quality and cost efficiency are questionable, what about local democracy? Again, the evidence provided in these four case studies indicates that education decentralization was a top-down process that generally, with the partial exception of Nicaragua and one Argentine province, failed to engender authentic forms of parent or community participation within the schools. In the Nicaraguan case parent participation was based on their ability to pay school fees, rather
than a universal right to participate in their children's education. This is not to say that decentralization does not have the potential to increase community involvement in education. It would seem, however, that education decentralization as it was implemented during the 1990s, with the parallel centralization of responsibilities for education policy making and evaluation, failed to promote the social participation and local democracy so prevalent in the decentralization discourse. It would appear that a genuine commitment on the part of central bureaucrats to give up control over resources and decision making power is necessary to achieve meaningful local participation.

Bibliography


