

CASE STUDY 1: INFORMATION DISSEMINATION AND LOCAL ELECTIONS IN MEXICO

Program Theory and Measuring Outcomes



This case study is based on the paper “Information Dissemination and Local Governments’ Electoral Returns, Evidence from a Field Experiment in Mexico,” by Alberto Chong (IADB), Ana L. De La O (Yale), Dean Karlan (Yale), and Leonard Wantchekon (NYU)

J-PAL thanks the author for allowing us to use their paper as a teaching tool.

KEY VOCABULARY

Hypothesis: a proposed explanation of and for the effects of a given intervention. Hypotheses are intended to be made ex-ante, or prior to the implementation of the intervention.

Indicators: metrics used to quantify and measure specific short-term and long-term effects of a program

Logical Framework: a management tool used to facilitate the design, execution, and evaluation of an intervention. It involves identifying strategic elements (inputs, outputs, outcomes and impact) and their causal relationships, indicators, and the assumptions and risks that may influence success and failure

Theory of Change: describes a strategy or blueprint for achieving a given long-term goal. It identifies the preconditions, pathways and interventions necessary for an initiative's success

INTRODUCTION

In 1999, the government of Mexico approved a reform to the constitution that established the Auditoría Superior de la Federación (ASF) with the goal of reducing the misuse of public funds. Each year, the ASF audits and publishes online the use that municipal governments give to the federal funds they receive, detailing whether these funds were used for public works and services or if the funds are unaccounted for. This is an important tool for citizens for it allows them to know what government level is responsible for providing what public services and how funds are being used. Unfortunately, most citizens do not know that this information exists and most ASF reports are rarely used. Consequently, the ASF seems to have no impact on spending levels and/or corruption.

Why? Is information insufficient to promote government reform? Or is the information conveyed in the wrong way or at the wrong time? Could a different strategy for disseminating information better address poor service provision? How would such an intervention achieve this goal, and what data would you collect to measure its impact?

LOCAL ELECTIONS AND MUNICIPAL SERVICE PROVISION IN MEXICO

Elections, in theory, should enable voters to discipline their elected representatives. Even though public officials in Mexico are elected to serve 3 year terms and may not be reelected, some people claim that voters can still exercise this power by rewarding or punishing incumbent parties for the performance of elected officials that belong to those parties. The assumption is that parties will then enforce discipline on their individual members. But for voters to hold parties accountable, they must 1) know what their representatives' responsibilities are, and 2) be able to accurately assess their representatives' performance in fulfilling these responsibilities. Accountability, whether for individuals or parties, relies on well-informed voters.

One key challenge, then, is that the public often lacks adequate information about the services that should be provided to them by their local governments.¹ These information gaps are particularly worrisome since one of the primary responsibilities of municipal governments is to provide public services. In Mexico, mayors are responsible for providing services such as garbage collection, sewage treatment, electricity, road construction, and public safety. Nonetheless, voters lack information about:

- which level of government is responsible for providing local services (this is the responsibility of municipal governments); and
- the amount of resources that municipalities receive from the federal government to provide social services (since municipalities collect few taxes, federally funded programs represent the largest share of their income).

Consequently, voters have trouble holding their mayors accountable for the delivery (or non-delivery) of social services in their municipalities. Furthermore, many voters perceive high levels of corruption within their municipal governments. The result is that Mexico seems to be stuck in a “cycle of low performance and low expectations”²: voters do not expect municipal governments to be able to improve service delivery, so mayors do not attempt such improvements, and voters' expectations remain low.

FEDERAL AUDITS AND INFORMATION DISSEMINATION

As an institutional response to the growing misuse of federal funds at the local level, a constitutional amendment was passed in 1999 creating the Federal Auditor's Office (ASF), an agency charged with issuing sanctions and initiating proceedings against public servants responsible for “damages to state property”. In May 2009, an additional constitutional reform was passed, formalizing the authority of the ASF to audit the use of federal money by all public entities, including transfers to municipal governments. Thus, on a yearly basis, the ASF selects three to six municipalities in each of Mexico's thirty-one states to be audited. For each audit, the ASF examines public accounts in search of accounting irregularities, deviations from the budget, and misuse of resources.

Upon completing these audits, the ASF compiles and publishes lengthy reports for each audit, detailing the amount of money the municipality received in federal transfers; the kind, quality, and number of projects; money spent by the end of the fiscal year; the extent to which the objectives of the federal transfers were met; and any evidence of false accounting or diversion of resources. Each year, all audit reports are presented to the Lower

1 Keefer, Philip. 2007. “Seeing and Believing: Political Obstacles to Better Service Delivery”, In Devarajan, Shantayanan and Ingrid Widlund (eds) *The Politics of Service Delivery in Democracies. Better Access for the Poor*, EGD Secretariat Edita, Stockholm.

2 Khemani, Stuti. 2007. “Can Information Campaigns Overcome Political Obstacles to Serving the Poor? The Politics of Service Delivery in Democracies”, In Devarajan, Shantayanan and Ingrid Widlund (eds) *The Politics of Service Delivery in Democracies. Better Access for the Poor*, EGD Secretariat Edita, Stockholm.

House of Congress on March 31st and also made public on the Internet at that time.

Despite the reliability and importance of the information that these reports contain, local media rarely highlights this information during electoral campaigns, while national media tends to focus instead on misappropriation of public resources at the federal level. Municipal elections in Mexico are often held in the second half of the year, so by the time they arrive, journalists have long since moved on to other, more recent issues besides the ASF's reports. Consequently, poor social service delivery and corruption are not exposed on a timely basis despite the relevant information being freely available.

LOCALLY TARGETED FLYERING CAMPAIGN: HOW CAN IT HELP?

To address the shortcomings of the ASF reforms, a flyering campaign will be conducted to disseminate key information to voters about service provision in their municipalities. All flyers will clearly state that mayors are responsible for providing services such as road construction, sewage treatment, electricity, and water. In addition, flyers will contain different messages about how federal funds were spent in their municipalities. Each flyer will contain only one of the following pieces of information: percentage of funds that were actually spent; percentage of funds that were spent in poor areas of the municipality; or percentage of funds that were misused. These flyers will be distributed one week prior to municipal elections.

WHAT DO WE LEARN FROM THE CAMPAIGN?

Your evaluation team has been entrusted with the responsibility of evaluating the campaign's impact on political participation. How might the flyers (and the distinct flyer messages) influence political participation at the local level? What data should your team collect to evaluate the intervention?

As a first step, you have to understand the different aspects of the campaign. What needs does the campaign address?

Discussion Topic 1

Needs

1. In a democracy, what levers can be used to address poor service provision and/or corruption?
2. In 1999, a reform of the Mexican constitution established the Federal Auditor's Office (ASF), as a response to the increasing misuse of federal resources. In 2009, an additional constitutional reform formalized the ASF's authority to audit the use of federal money in the hands of all public entities, including transfers to local governments. What are the strengths and shortcomings of these recent reforms?
3. How might the flyering intervention improve the flow of information to the public? How does flyering compare to other methods of information dissemination?

DATA

It is important to define the possible impact of the campaign. It is in these affected areas that you will try to collect data.

Discussion Topic 2

Outcomes and Indicators

1. What are the potential positive, negative, and null effects of the flyering intervention on political participation and public service provision?
2. Please list the indicators that you would use to measure each of these potential outcomes.

DEFINING A HYPOTHESIS

The campaign can have multiple results. Without a hypothesis defined ex-ante, it would be very difficult to make sense of the results of the evaluation. With a hypothesis, we will know exactly what we are

investigating, allowing us to make predictions on possible outcomes.

Discussion Topic 3

Defining the Hypothesis

1. What are the key hypotheses related to the impact of the flyer intervention? Choose one to use in the following questions.
2. Which indicators would you use to test your primary hypothesis?

Discussion Topic 4

Formalizing the Theory of Change

1. What are the steps or conditions that link information provision through flyers to the final outcomes?
2. Which indicators should you measure at each of these steps?
3. Combining all of these elements, draw a flow chart or model that links the intervention to the final outcomes.