Teachers’ unions, education reform, and the irresistible force paradox: A comparative analysis of Finland, Switzerland, and the United States

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Abbreviations, Acronyms, and Terms

ACI	Actor-centred institutionalism
AKAVA	Confederation of Unions for Academic Professionals in Finland
Bildungsdirektion	Education Directorate (Zürich)
DATE	District Awards for Teacher Excellence (TX)
FQS	Formative Evaluation system developed by LCH.Union_Leader
GERM	Global Education Reform Movement
Hallitus	OAJ's 21-member Executive Board
HL	supplemental pay for professional performance
HI	Historical institutionalism
HRM	Human resource management
Järjestelyerä (JAR)	locally negotiated salary component
JUKO	Public Sector Negotiators *(AKAVA)*
KT	The Municipal Employers, Finland
KUNPAS	The statistical study of wage differences in the municipal sector
KVTES	General collective bargaining agreement for municipal employees
LCH	Swiss Federation of Teachers
Lehrerpersonalgesetz	Teacher personnel law (Zürich)
LQS	Qualification system for elementary school teachers (later re-named MAB)
MAP	Merit Award Programme (FL)
Määrävuosilisä	Seniority-based supplemental compensation
MAB	Employee assessment system, implemented in Zürich in 1999
NPM	New Public Management
OAJ	The Trade Union of Education, Finland
OECD	Organisation of Economic Co-ordination and Development
OKRZ	The Associaiton of High School and Junior High Teachers (Zürich)
OVTES	National agreement covering all teachers in Finland
Personalgesetz	Personnel Law
Peruspalkka	Base salary
PRP	Performance-related pay
Regierungsrates	Executive council or 'government'
RCI	Rational choice institutionalism (or 'RC' for rational choice)
SAK	The Confederation of Finnish Trade Unions
Schulpflegen	School boards (Zürich)
SER	Regional teachers' union in French-speaking Switzerland
SekZH	Association of Secondary Teachers of the Canton of Zürich
SI	Sociological institutionalism
Sisu	a Finnish word with no direct translation, popularised in the Winter War, which has been described as kind of sustained culture, perseverance, or grit
SKZ	Secondary Teacher Conference (Zürich)
STAR	Special Teachers are Rewarded (FL)
STTK	The Finnish Confederation of Salaried Employees

TEEG	Teacher Educator Excellence Grant (TX)
TIF	Teacher Incentive Fund
Tilastokeskus	Statistics Finland
TNJ	The Negotiating Organisation of Salaried Employees (represents health care workers in the municipal sector, including TEHY and SuPer)
TS	Collective agreement for technical employees in the municipal sector
TUPA	school-wide awards based on the fulfillment of municipal goals
TUPO	Finland's system of central incomes policy agreements via tripartite negotiations
TVA	Supplemental pay based on task-complexity
Työkokemus	Seniority-based supplemental compensation
U.S. DOE	United States Department of Education
Valtuusto	OAJ's 150-member council
VALPAS	Study of state sector wages, published in 1999
VPOD/SSP	The Swiss public-service union
VSA	Department within the directorate of education that is responsible for primary schools in Zürich
Ylituntipalkkio	Additional lessons
YSI	Association of basic education teachers, Finland
Zürcher Kantonsrat	Cantonal Council of Zürich
ZLV	the Zürich teachers' union, an affiliate of the LC

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Abstract

In education policy, the irresistible force paradox—what happens when an irresistible force meets an immovable object?—resonates with many characterisations of the dynamics of education reform and the role of teachers' unions in reform processes. According to many theories of teachers' unions in the United States, the paradox is resolved in favour of the immovable object: strong teachers' unions are alleged to block necessary reforms, hampering school effectiveness and efficiency. This research tests these claims about teachers' unions, and their impact on reform outcomes—particularly, performance-related pay. Despite teachers' unions' supposed opposition to performance-related pay (PRP), there are a number of cases—both within and beyond U.S. borders—where PRP has been implemented. By exploring some of these 'exceptional' cases, this research outlines the conditions under which reform is likely to occur, and a more specific explanation of reform 'failure'. It finds that, though education reform is often portrayed as a power struggle between reform proponents and opponents, there are multiple pathways through which reform may occur. Overpowering unions might be one route, but reform can also be secured through cooperation and compromise. These insights have significant implications for theories of teachers' unions' strength, preferences, and policy impact. The findings demonstrate that the insufficiency of existing theoretical accounts. Neither union preferences nor power are simple, monolithic, or predictable, and teachers' unions do not and cannot block reform at all times and in all places. Beyond theory, these findings carry weighty implications for practitioners regarding the role of unions in public policy decision-making.

CHAPTER ONE: Teachers' unions and education reform—
What happens when an irresistible force meets an immovable object?

In 1996, Republican presidential candidate, Bob Dole, scolded teachers' unions, saying "If education were a war, you would be losing it. If it were a business, you would be driving it into bankruptcy. If it were a patient, it would be dying" (Dole, 1996, n.p.). In 2004, then-United States Secretary of Education Rod Paige called the National Education Association a "terrorist organisation" (Goldhaber, 2006, p. 142). And in 2011, escalating aggressive rhetoric turned to action when Wisconsin Governor Scott Walker signed a bill to take away virtually all collective bargaining rights from the state's public employees and to require them to pay more of their health insurance and pension costs. Large parts of the bill were eventually overturned by the courts, but other states soon followed suit. Debates over the role of public sector unionism, including the role of collective bargaining, were initiated in 17 state capitals across the country (National Conference of State Legislatures, 2011).

Though these legislative changes were supported partly on the basis of their financial necessity, they appear to be part of a larger question about the role of public sector unions in the 21st century world. Mitch Daniels, the Governor of Indiana who championed a law which abolished collective bargaining for public employees in the Hoosier state, argued that the reforms were required in order to have the freedom to design public services effectively, not just more economically:

> In Indiana our actions were only secondarily about finances. It is true that freedom to restructure departments, consolidate functions and so on saved Hoosier taxpayers tons of money. But the principle motive, and equally important gains, came in the transformation of state services. (Daniels 2011, p. 45)

In the United States, at the heart of the debate about the power of public sector unions is a series of deep-seated questions about the most well-organised group of employees—teachers. Primary and secondary (K-12) education in the United States has been in a state of almost perpetual crisis since the publication of Reagan's *A Nation at Risk* (National Commission on Excellence in Education, 1983). Since 1983, schools have been accused of being of poor overall quality—lacking in academic rigor as well as failing to prepare students for college and career—as evidenced by the United State's mediocre position in international league tables. In addition to hand-wringing over schools' perceived low level of quality, the performance of U.S. students on both international exams as well as assessments designed and implemented across states demonstrates significant and persistent inequality of achievement linked with several highly-correlated demographic variables—income, race, and geographic location. This inequality has been labelled the 'achievement gap' and has been branded the civil rights movement of this generation (Kopp, 2001, p. Xii). Both of these failures—perceived low quality and high inequality—persist in spite of the fact that the U.S. spends above the Organisation for Economic Co-operation and Development (OECD) average per student at every level of education and spends more than several countries including Canada and Finland whose students outperform U.S. students on international assessments (OECD, 2013).

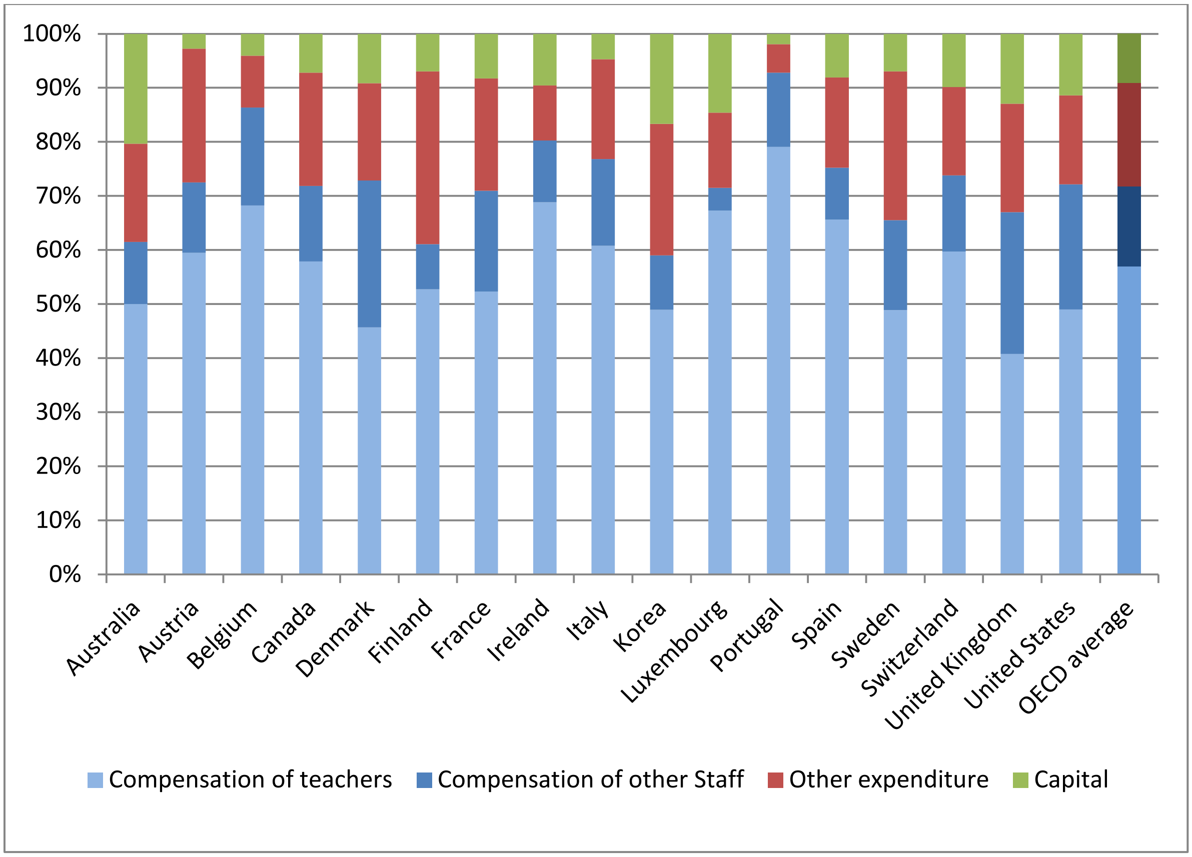
The combination of these pressures for schools to improve their performance combined with mounting economic constraints has produced the perfect storm—a political pressure system promoting a flurry of reforms. In this context, self-styled education reformers—from reform-minded governors, to school district officials and superintendents, to education policy-entrepreneurs—have united against a perceived common enemy: the teachers' unions. Momentum is growing around the idea that unions are intractable obstacles to the policy-changes required to provide public education more effectively and efficiently.

Wisconsin's path is premised on the belief that teachers' unions are not part of the potential solution to public sector challenges—they *are* the problem. On this path, the goal is to sideline and limit unions' sphere of influence in order to give the government maximal autonomy and freedom to manoeuvre and problem-solve, unconstrained by oppositional unions. Though the clash between unions and reformers has been particularly public and heated in the United States, debates about the role of teachers and unions in decision-making are not confined to its borders. Efforts to control education policy and weaken the voice of unions have been labelled a 'global assault' (Compton & Weiner, 2008).

Though debates about the impact of teachers' unions on education are long-running, the global financial crisis has only exacerbated the conflict. The pressures of fiscal consolidation—and the resulting pressure on public employment—are unlikely to abate soon; according to one estimate, the debt level in OECD countries will rise to 120% of GDP by 2014 ("Government Workers", 2011). And it seems that governments' efforts to address the global debt crisis have brought industrial relations "back (to) the heart of politics," (The Public Sector Unions, 2011, n.p.) though the lines of the conflict have been redrawn: instead of pitting capital against labour, the new industrial relations battles pit taxpayers against alleged 'tax-eaters'—public sector workers (The Public Sector Unions, 2011).

As governments attempt to 'do more with less', public sector employment levels and the salaries, benefits, and working conditions of employees have fallen into the crosshairs of cost-cutting strategies as public sector compensation is a large percentage of total public spending. Education is a particularly labour intensive sector. In 2009, only 22% of current expenditure in education went towards non-staffing related costs: 62% went to teachers and 16% went to other staff (OECD, 2012).

FIGURE 1.2: Primary Education[1] Expenditures as a Percentage of Total Expenditure (2009)[2]



Because teachers' compensation is the single largest expenditure category, if governments are going to tighten their belts in the education sector, changing the public service bargain with teachers seems inevitable:

> While savings can be made by cutting capital expenditure (such as not building new schools) and some current expenditure (not purchasing certain teaching materials), when pressures on education budgets increase, changes in spending on staff have the greatest impact on overall spending. Saving money by reducing salaries and benefits or cutting the number of teachers and other staff is unpopular politically and possibly counterproductive, in that it discourages good teachers from wanting to enter or remain in the profession.

[1] The difference between expenditure in primary and secondary schools was very small, so figures on primary education will be used to avoid redundancy.

[2] OECD, 2012

> Therefore, in addition to managing material resources more efficiently, it is essential to improve the management of human resources to raise the quality of the education system. (OECD, 2012, p. 286-287)

As one of the most significant drivers of public sector spending, public sector employment is an obvious target for cost-saving reforms. These dynamics have put governments on a collision course with public sector unions, producing a series of difficult questions. First, what is the right strategy for cutting costs, particularly in terms of public sector employment? How can governments reduce spending without undermining their long- and short-term ability to provide quality public services? Second, if governments pursue a path of attempting to restructure public sector employment—reducing employment levels or lowering wage or benefit levels—how do they deal with or overcome employee and union opposition? What role, if any, should public sector unions play in these difficult decision-making processes?

The emerging consensus in the United States about the role that teachers' unions should play in educational decision-making, as evidenced by Wisconsin's reform efforts, is, in short: none. Consensus is growing that the only way to reform public education in the United States is to "weaken or eliminate union power over the schools" (Moe, 2006, p. 230). These conclusions are grounded in particular theories about teachers' unions and assumptions about their preferences, action, and impact.

In *Special Interests: Teachers Unions and America's Schools* (2011), Terry Moe argues that teachers' unions in the United States mount their considerable power to block policies that they oppose, including performance-related pay (PRP), tenure reform, and others. His account joins others in portraying teachers' unions as 'immovable objects'—powerful organisations with fixed, stable, and predictable interests. Moe argues that the 'immovable object' has consistently bested the 'irresistible force' of education reform in the United States.

However, a closer look at the irresistible force paradox—cases in which reform movements and strong teachers' unions have collided—both internationally and within the United States reveals a more complex picture. Though Moe highlights a variety of reforms that U.S. teachers' unions have successfully resisted, in order to facilitate comparability, this research will focus on one—performance-related pay (PRP). The decision to focus on PRP for teachers in particular, rather than all education reform or all public sector restructuring, was guided by Geddes' (2003) admonishment that:

> The work that best succeeds in meeting social scientific criteria of evidence and falsifiability, the work that can be used as a solid building bock rather than a sand castle, is work that precisely models a set of causal mechanisms and clearly delimits their domain of operation. Scholars can still ask big questions, but only certain kinds of big questions. (as cited in Levi, 2008, p. 122).

Thus, the focus is on a detailed exposition of the particular process of PRP reform across cases. This kind of narrow focus can also contribute building blocks to the general understanding of the functioning and impact of teachers' unions', public sector unions, and interest groups. PRP has been implemented in many cases in spite of the presumed opposition of powerful teachers' unions. These 'exceptions' prompt two types of questions, which will guide this research:

- When do such results—performance-related pay reform—occur? why don't they always? and what role do teachers' unions play in the performance-related pay reform process?
- How do the answers to these problem-oriented questions inform theories of teachers' unions—their preferences and impact on policy-making?

Substantive, problem-driven questions—what is happening here and why?—are often divorced from theory-driven questions—what is the nature of teachers' unionism? However, this dissertation is motivated by both problem-driven as well as theory-driven questions. Rather than conflicting, these aims are mutually-reinforcing.

Ultimately, Moe's (2011) postulates cannot adequately explain the variable PRP policy outcomes—why PRP is implemented in some cases but not others. Predictive rather than explanatory, Moe's account provides a covering law (George & Bennett, 2005) of teachers' unions' influence on education policy and reform; it does not attend to the particular causal mechanisms (Salmon, 2006) that produce the predicted effects. However, policy-makers need diagnostic theories (George & Bennett, 2005)—explanations that can actually explain what is happening and how the effect is produced. Thus, Moe's work requires further testing to determine if it has real predictive value based on a coherent causal model. This dissertation, through comparative case studies, will test Moe's account, but rather than simply confirming or rejecting an existing account, it aims to contribute to theory-building (George & Bennett, 2005)—refining Moe's argument, uncovering the causal mechanisms through which his predictive effects occur, and providing alternative explanations. Moe's perspective has limitations, and is a relatively extreme position in both practitioners' debates and the literature on teachers' unions. Far from representative of all accounts of teachers' unions, Moe's perspective reflects a particular view that appears to have increasingly gained traction as 'conventional wisdom' in the United States, informing and supporting recent efforts to limit unions' power. Though this research is organized around testing Moe's argument, through the use of a more complex theoretical framework the research attempts to build a more nuanced and complex account of union interests, strategy, and impact.

Chapter 2 will review the literature relevant to this inquiry, focusing on two themes—the immovable object (teachers' unions) and the irresistible force (reform). The inquiry into the immovable object will begin with a closer look at Moe's account of U.S. teachers' unions, and his conclusions about teachers' unions' preferences, strength, and power. Though the research on teachers' unions is limited in important ways, it sits at the nexus of several disciplines. Weaving together cross-disciplinary accounts from industrial relations, political science, and sociology of preferences, strength and power will provide a broader foundation for this inquiry. Then, the second half of Chapter 2 will turn to the 'irresistible' reform forces. PRP reform in education will be traced to broader reform dynamics that have characterised both public sector and education reform and restructuring over the past three decades. Namely, the global dynamics of neoliberalism (Harvey, 2007) and New Public Management (NPM) (Hood, 1991) will be emphasised as efforts to connect teachers' pay more closely to their performance can be linked to these more general reform movements.

Chapter 3 will outline the theoretical framework that guides the inquiry—actor-centred institutionalism (ACI) (Scharpf, 1997, 2000)—which posits that policy outcomes are the product of the interaction of policy problems, institutions, and actors' orientations. In contrast to the rational-choice assumptions—of stable and predictable preferences guided by self-interest (Scharpf, 1997)—evident in Moe's account of teachers' unions, ACI provides a framework that remains open to the ways in which actors' interests may deviate from the stylised assumptions of perfect information and complete self-interest.

The methodological approach and research design is outlined in Chapter 4. The U.S. education context provides the starting point for this research, in large part because a disproportionate amount of the existing research on teachers' unions has been conducted there, including Moe's (2011) work. However, though the research problem emerges from the U.S. policy-making context and U.S.-based theories of teachers' unionism, this research employs an iterative comparative design to test and probe these theoretical assertions in two stages—first looking outside of U.S. borders to probe Moe's theoretical assumptions, and then returning to the U.S. to test new theoretical insights at the school district level. This two-fold approach is based on the premise that comparative understanding is iterative; we understand the particular (individual case) better as we develop our understanding of the general, and we understand the general in light of the particular.

The first stage will examine two 'crucial cases' (Eckstein, 1975; Lijphart, 1971), Finland and the Canton of Zürich, where PRP has been implemented in spite of strong unions. As outlined in Chapter 4, the cases were inductively explored using interviews supplemented with document analysis in order to understand the reform processes, the relevant causal mechanisms, and the role and responses of teachers' unions. Crucial cases provide the best opportunity to test a theory and the inductive case study approach maximises opportunities to produce new theoretical insights and to uncover new causal pathways (Dogan & Pelassy, 1990; Eckstein, 1975; George & Bennett, 2005).

In Finland, the research investigated the development and implementation of a new salary system from 2001-2007, which included a PRP component. In Zürich, the research focused on the implementation in 1999 of a new evaluation system which was linked to teachers' pay, called the *Mitarbeiterbeurteilung für Schulleitende (*MAB) system. These case studies—guided by the theoretical framework—focused explicitly on the problem-oriented questions: When do such results (PRP) occur? Why don't they always? And what role do teachers' unions play in the PRP reform process? The analysis and within-case findings are presented in Chapters 5 and 6.

Several significant findings emerge from these cases, outlined in Chapter 7. Both case studies confirm the complexity of union preferences—that the goals of teachers and their unions are numerous, diverse, and competing. Furthermore, they confirm the contingency of union power, which varies over time, space, and issue. Finally, Finland and Zürich illuminate the significance of union-management relationship patterns (Walton & McKersie, 1965), and point to two different pathways through which reform occurs. In Finland, the new salary system was a product of compromise which occurred in the context of long-term, stable, and trust-based cooperative relationships—the cooperative-compromise path. In Zürich, reform was eventually powered-through, when a series of shifts neutralised union opposition. These findings challenge many of Moe's (2011) assumptions about teachers' unions' preferences and power and provide new insights into why and when PRP reform occurs. They create a far more complex causal picture, confirming causal complexity (Ragin, 2000, 2008) and equifinality (George & Bennett, 2005): they provide a typological theory (George & Bennett, 2005) with multiple causal paths to replace Moe's covering law.

However, these new causal pathways and theoretical insights must be tested in order to determine if they are generalisable beyond the contexts in which they were observed. Particularly important given Moe's exclusive focus on U.S. teachers' unions, and the emphasis of the second phase of research, is the degree to which these theories apply in the U.S. The typological theory produced from the crucial case studies will be operationalised and tested using the deductive congruence method (George & Bennett 2005) at the school district level in the United States (Chapter 8). Chapter 9 reviews the research findings and presents implications for policy-making and opportunities for future research

CHAPTER TWO: Reviewing Theories of Teachers' Unions' Preferences, Strength and Influence—a Cross-Disciplinary Approach

2.1 Introduction

This inquiry into the role of teachers' unions in the education reform process sits at the nexus of two broader themes: the immovable object (teachers' unions) and their reaction, response, or rebuffing of the irresistible force (education reform). What happens when the irresistible force meets an immovable object? The construction of the irresistible force paradox is derived from Terry Moe's (2011) recent study on teachers' unions in the United States, which provides the most systematic account for teachers' unions' and their impact on education policy, and provides the starting point for this inquiry. His account implies that the immovable object always bests the irresistible force. However, cases that defy this prediction exist, prompting a closer examination of Moe's claims.

Moe's work provides a foundation from which to build this research, but it is an incomplete structure. This chapter reviews cross-disciplinary literature in order to gather as many usable building blocks as possible to address the research questions. However, the review illuminates a number of significant gaps in the existing literature which must be carefully addressed in the theoretical framework and research design.

Section 2.2 reviews the literature on teachers' unions, first zoomed in on teachers' unions in particular, then broadening its view to incorporate other disciplines that can inform theories of teachers' unions' preferences, strength, and influence. Section 2.3 deals with the process of reform, policy change, and restructuring. Only after considering broader themes of welfare state development and change (Section 2.3.1), can New Public Management reforms (Section 2.3.2a) and their relationship to education reform and PRP (Section 2.3.2b) be properly handled. Though the central focus of Moe's account and the orienting questions of this research are focused on education policy in particular, these changes are a part of broader public sector reforms and restructuring. Understanding this context will be both theoretically and practically important. Theoretically, the context of policy change connects teachers' unions to their public sector counterparts, providing a pathway along which theoretical insights can travel. Practically, the specific reforms investigated in the case studies are part of a broader landscape of both education policy-change—particularly related to shifts in the teaching profession—as well as public sector reform. Failing to understand this general context is to misread the particular changes, their practical meaning, and theoretical significance.

2.2 The Immovable Object: Teachers' Unions

The existing literature on teachers' unions is scant and suffers from a variety of methodological problems. What the teachers' union debate lacks in empiricism is made up for in vigour: its polarisation fuelled, at least in part, by a paucity of scholarship. Though scholars' theories about teachers' unions' motives and impact reflect deep disagreement, they generally agree on one idea: the existing research is limited, generally inconclusive, and lacks specificity into union influence (Goldhaber, 2006; Johnson & Kardos, 2000; Koppich, 2007; Koppich & Callahan, 2009; Malen, 2001; Moe, 2006). Research on teachers' unions is more often shaped by rhetoric and ideology than by inquiry (Johnson & Kardos, 2000; Koppich, 2007; Koppich & Callahan, 2009), which has contributed to, as well as has been fuelled by, a dearth of empirical work (Eberts & Stone, 1984; Hoxby, 1996; Kurth, 1987; Nelson & Gould, 1988).

The empirical measurement of union influence on the organisation of schooling is complex and findings have been mixed—in part due to differences in research design and operationalisation of union strength, union power, and union impact (Argys & Reese, 1995; Baugh & Stone, 1982; Eberts, 2007; Eberts, Hollenbeck, & Stone, 2004; Eberts & Stone, 1984, 1986, 1987; Gallagher, 1978; Hall & Carroll, 1973; Hoxby, 1996). But, even if, it is accepted that teachers' unions increase overall spending and teachers' salaries as well as influencing the appropriation of funds and the rules that govern the organisation of schooling (Eberts, 2007), the empirical challenges only increase when researchers attempt to measure the effect of unionism on student achievement (Argys & Reese, 1995; Carini, Powell, & Steelman, 2000; Eberts, 2007; Eberts, Hollenbeck, & Stone, 2004; Eberts & Stone, 1984, 1986; Hoxby, 1996).

In the absence of definitive empirical evidence, two 'union stories'[3] dominate research in the United States, where widespread consensus has determined that unions are one of, if not *the*, most powerful organisations in education politics (Koppich & Callahan, 2009; Cooper & Sureau, 2008a; Koppich, 2005; Bascia, 1990; Kahlenberg, 2006; Moe, 2006; Hess & West, 2006)[4]. In one account, what is often labelled 'professional unionism' (Cooper & Sureau, 2008b; Crouch, 2005; Kerchner & Koppich, 1993; Koppich & Callahan, 2009; Johnson & Kardos, 2000; Johnson & Donaldson, 2006), unions are—or at least can be, either partly or entirely—interested in defending public education on the basis of what is best for students *and* teachers[5], promoting professionalism, preserving flexibility, and attending to issues beyond salaries and working conditions.

In contrast, in the second account, teachers' unions are self-interested actors who slow, impede, or block educational progress (Chubb & Moe, 1990; Lieberman 2000; Moe, 2006, 2011). The goals that drive unions are critical to understanding both accounts of teachers' unionism, and according to the latter account; self-interest is central to its theoretical expectations for the impact of teachers' unions on education policy.

[3] These stories typically emerge from theorizing about unions' goals and then imputing their effects on student achievement
[4] Due to the disproportionate amount of research on teachers' unions that is conducted in the US, these stories about teachers' unions are often 'locally focused', however, they have global reach.
[5] The two are inseparable, either because teachers are altruistically motivated to sacrifice their economic self-interest; because there is a symbiotic relationship between professionalism and economic self-interest; or because there is no tension between teachers' best interests and students' best interests (Bascia & Rottman, 2011; Johnson & Donaldson, 2006; Kahlenberg, 2006, p. 8)

Terry Moe, a political scientist, identifies teachers' unions as an interest group in American politics (2011, p. 20-24). In 2006, he was careful to clarify that, though self-interest does not make them malevolent actors, teachers' unions *are* self-interested. Moe argued that in order for teachers' unions to be effective organisations, they must respond to the demands of their members—for higher salaries, better working conditions, and secure employment. Though unions are certainly not intentionally promoting policies not in the best interest of students, they are actively promoting the best interests of teachers; according to Moe, any overlap between the two is merely accidental (2006). As a result, he argues that the organisation of schooling—class sizes, school hours, tenure, and teacher compensation—is currently driven by what is best for teachers, and that it should be driven, instead, by what is best for students[6]. Moe articulates the dominant view of teachers' unions. Though, he is not alone in his self-interest-based account of teachers' unions (Chubb & Moe, 1990; Hanushek, 1994; Hess & West, 2006; Hill, 2006; Lieberman, 2000), in 2011 he updated and expanded his argument, producing the most comprehensive[7] account of teachers' unions' strength and power to date: *Special Interest: Teachers' Unions and America's Public Schools* (2011).

In *Special Interest,* in order to understand not only *what* is happening in education policy, but also *why*, Moe applies an "institutionalist framework" (2011, p. 18) to the study of teachers' unions[8]. Moe argues that U.S. teachers' unions use their considerable power to block policies they oppose, which leads to the inefficient and ineffective organisation of schools. He provided a concise summary of his argument in his earlier work:

> …that the problems associated with union power are inherent to the organisations, are very much to be expected, and cannot be eliminated by some sort of 'reform unionism' that relies

[6] This view of 'working conditions' as 'what's best for teachers' and antithetical to 'what's best for students' has been challenged (Bascia & Rottman, 2011)
[7] Though certainly not uncontested (Battistoni, 2012; Frymer, 2012; Swenson, 2012)
[8] Though Moe's (2011) work may be noteworthy for its comprehensiveness and systematic nature, it is worth noting that Moe acknowledges that it was *not* targeted at academics and therefore employs quite basic institutional tools (p. 19). Therefore, in addition to outlining the argument that Moe develops in *Special Interest*, Moe's other work on public bureaucracy, interest groups, and U.S. political institutions will also be referenced in order to develop a more rigorous and robust understanding.

on the unions themselves to adopt a more enlightened, public-spirited approach. It follows that, if public education is to escape the stultifying drag of the unions' grip on the system—and if the system, therefore, is to evolve into a new form that is better suited to providing a quality education to children—it will happen only through reforms that weaken or eliminate union power over the schools. (Moe, 2006, p. 230)

According to Moe, the strength of teachers' unions in the United States—their unique position among interest groups as an unrivalled influence on education policy—is mobilised to achieve the preferences of teachers' unions; this power is bad for public education and disadvantages students (Moe 2006, 2011). Moe identifies several policies that, he argues, derive from the common occupational interests of teachers—for higher wages, teacher-friendly work rules, and other job-related interests—including: tenure and related due process requirements[9], lock-step salary schedules[10], strict seniority-based transfer rules, and 'last in first out' (LIFO) contract requirements[11]. He argues that the teachers' unions use their strength—via collective bargaining and political influence—to promote their interests, which has institutionalised these 'inefficient work rules' in collective bargaining contracts and state laws (Chubb & Moe, 1990; Moe, 2006, 2011). Furthermore, teachers' unions exercise their political power to engage in the "politics of blocking" (Moe, 2011, p. 275)—preventing reforms that would address these inefficiencies and organise schools in the best interests of students.

Ultimately, this account involves three key concepts: teachers' unions' interests, strength, and influence or power. Subsequent sections deal with each concept separately. First, Section 2.2.1 focuses on teachers' preferences. Though not explicitly stated, the roots of Moe's argument about

[9] These requirements are embedded in teachers' contracts and reduce the autonomy and flexibility of administrators and make it very difficult to fire even the poorest performers.

[10] Lock-step salary schedules prevent school or district leaders from using differentiated compensation in order to provide compelling incentives to attract or retain the highest-performers or teachers in hard-to-staff content areas

[11] LIFO stipulates that when lay-offs are required as part of a reduction in staff, that the first criteria used to dismiss teachers is their years of experience

teachers' unions is rooted in rational choice assumptions—a presumption of rationality and self-interest pervasive in interest group and union theories. However, individualism is not the only conception of union preferences, as evident in a review of theories of corporatism and professionalism. Then, Section 2.2.2 turns to questions of teachers' unions' strength and power. Though the two terms are often used interchangeably, Section 2.2.2 demonstrates the importance of keeping the terms conceptually distinct: union strength refers to static assessments of resources and union power refers to the dynamic process through which unions impact outcomes.

2.2.1 Teachers' Interests: Moving Beyond Simple Self-Interest

The foundational basis of Moe's institutionalism is that the behaviour of actors can be understood by focusing on incentives and the institutions that give rise to those incentives (2011, p. 20). For the leaders of teachers' unions, Moe argues, the primary concern is pleasing their members. He uses a nationally representative survey of 3,328 teachers conducted in 2003 to measure the interests of teachers and finds that they want unions to "protect their jobs, to get them higher wages and better benefits, to push for teacher-friendly work rules, to oppose threatening changes, and in general to fight for their basic job-related interests" (Moe, 2011, p. 21, 67). These demands require unions to promote specific policies—union leaders must satisfy members and are therefore constrained by members' interests (McDonnell & Pascal, 1988; Moe, 2011).

Thus, the goals and strategies of teachers' unions are derived from the preferences of their membership, which Moe identifies as a common occupational interest shared by all teachers (2011, p. 105). The next postulate of Moe's argument is that what is in the best interests of teachers is often not in the best interest of children, quality education, or effective schools. Furthermore, according to Moe, any claims to the contrary—that unions *are* primarily concerned about children and quality education—are simply strategic branding to gain democratic support, critical to union political success.

Moe provides one view of teachers' and their unions' preferences based on a particular understanding of group representation—drawn from interest group theory (Garceau, 1958)—and a narrow conception of preferences—exclusive self-interest or individualism. However, a variety of alternative conceptions exist. After reviewing interest group theory in Section 2.2.1a and literature on unions, which share similar self-interest foundations, in Section 2.2.1b, theories of professionalism (Section 2.2.1c) and corporatism (2.2.1d) will provide alternative conceptions of organisational preferences. Moe's narrow conception of teachers' unions' preferences is not empirically self-evident. This research—through the actor-centred institutionalism (Scharpf, 1997, 2000) theoretical framework—will remain open to the ways in which union preferences may be more complex and variant.

2.2.1b Interest Group Theories

In *Special Interests,* Moe (2011), labels teachers' unions interest groups. Moe's use of the term must be positioned within the wider academic literature on interest group theory. Interest group theory is concerned with several basic questions: Why do groups form or how do they overcome the collective action problem? How are groups maintained? and how are internal divisions resolved? The answers to these questions provide speak to the representativeness of group interests and actions (Moe, 1981). In the 1980's, Moe (1980, 1981) contributed a third perspective to the two major interest group theories—pluralism and Olson's theory of selective incentives (Table 2.1).

TABLE 2.1: Three Theories of Interest Groups (Moe, 1981)

	PLURALISM	OLSON	REVISED (MOE)
Formation	Driven by 'common interests' (amongst group members).	Driven by 'selective incentives'.	Combination of selective incentives and purposive incentives.
Maintenance	Groups are maintained through sustaining cohesion about some political goals (which is the key leadership task).	Groups are maintained through the demand for private goods, not cohesion (meeting those demands is the key leadership task).	Depends on the strength of the purposive inducement.
Internal Politics	Internal politics must be reconciled in favour of common interests.	Members' interests do not have to dictate internal politics.	As the importance of purposive incentives increases, the representativeness of internal politics must increase.
Group System	The group system is an accurate representation of politically relevant interests.	The group system is an inaccurate indicator of society's interests as it distorts/misrepresents interests of organised individuals.	The stronger the purposive motivations, the more pluralistic the group system.

The three variants are distinguished by how they deal with the collective action problem, which Olson introduced in 1965. A pluralist theory of interest groups largely ignores the collective action problem, assuming that groups are an aggregation of individuals' common preferences. Ultimately, interest groups, within the pluralist model, provide an accurate representation of politically relevant preferences (Bentley, 1908; Truman, 1971).

Olson (1965) argued that groups are unlikely to form around 'common interests' due to free-rider problems and that the collective action problem is overcome through selective incentives—benefits provided to members which incentivise their membership. Thus, Olson argued that groups are not an accurate indicator of society's preferences as they distort and misrepresent the preferences of organised individuals: members join *not* because they agree with the union's goals, but in order to gain access to selective incentives. In *The Rise and Decline of Nations* (1982), Olson ultimately concludes that the inevitable accumulation of interest groups causes the eventual decline of democratic societies. Interest organisations reduce the efficiency and aggregate income of societies in which they operate because “there is for practical purposes no constraint on the social cost such an organisation will find expedient to impose on the society in the course of obtaining a larger share of the social output for itself” (Olson 1982, p. 44). Finally, Moe’s theory presents a hybrid version of Olson’s and the pluralist’s account, suggesting that interest groups formation and maintenance can be driven by varying combinations of purposive and selective incentives.

What do these three theories suggest about union preferences and the relationship between teachers’ preferences, union leaders’ preferences, and union preferences? The more that group membership is based on selective incentives—insurance and other benefits and services, which Moe finds relevant to teachers’ participation—the more freedom leaders will have to deviate from members’ interests. In the absence of these selective incentives, leadership is more accountable to members’ common interests.

Moe places significant weight on the common interests of teachers, derived from survey data, to define the goals and action of unions. However, unions clearly provide both selective and purposive incentives. Thus, the degree to which unions’ strategy and tactics reflect members’ particular preferences will vary across unions. Furthermore, though members may be united in their opinions about accountability, the use of standardised tests, and teacher tenure, the relative weight of their preferences for those things remains unknown. And, despite teachers’ unity about these issues, these preferences may be outweighed by their preferences for other things—for example, to be respected and perceived as professionals.

All three interest group theories assume that individuals are rational actors attempting to maximise their self-interests. Though non-self interested motives—like benevolence—could provide the foundation of group formation, these explanations remain unexplored. Similarly, research on unions, outlined in Section 2.2.1b, predominantly emphasises individualism. But it also suggests ways in which group and individual preferences could be more complex.

2.2.1b Perspectives on Labour Unions

Labour economists agree that the objectives of unions are to advance the preferences of their worker members by pressuring employers and governments for improved terms and conditions[12] (Bennett & Kaufman, 2004; Taft, 1950). The debate is whether the effect on firm performance and efficiency is good or bad (Bennett & Kaufman, 2004).

If one accepts an exclusively economic conception of union preferences, then the *effect* of this exclusive promotion of members' material interest is to raise wages above competitive levels and to introduce a number of distortions and inefficiencies, including allocative inefficiency, technical inefficiency, inflationary bias, and cyclical instability (Booth, 1995; Hirsch & Addison, 1986; Kaufman, 2004).

However, though narrowly conceived economic self-interest receives significant theoretical attention, the straightforward conception of union goals as the exercise of self-interest within a monopoly has been challenged in several ways. First, some have challenged whether the goals of the union are as universal and uniform as they appear within this view (Kaufman, 2002), as workers are interested in a full range of terms and conditions, the profits of which are not necessarily shared equally between the workers. So even if unions *are* always promoting the material interests of their members, those preferences and goals are likely to be diverse, competing, and unclear in practice.

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[12] Selig Perlman (as cited in Taft, 1950) suggests that this self-interest is rooted in a 'consciousness of scarcity', which was a significant departure from ideological, class-based consciousness conceptions of the labor movement.

Second, union's individualism may be limited by external constraints. For example, extracting rents beyond competitively sustainable levels would be antithetical to the union's long-term economic interests[13]. Thus, the union is not immune to consideration of firm performance; in fact, there may be good reasons for the union to balance maximizing both firm performance and their individual preferences. This tension is captured in Richard Freeman and James Medoff's (1984) theory of 'what unions do' which challenges the straightforward, individualistic conception of union goals. Freeman and Medoff suggest that unions have two faces—a monopoly and voice face. The monopoly face mirrors the consensus view of labour economists that unions function as a special interest group using economic and political action to improve the material well-being of their members at the expense of the welfare of the larger community (Bennett & Kaufman, 2004; Olson, 1982).

But Freeman and Medoff (1984) suggest that unions also have a voice face which may offset some of the costs— negative impacts on resource allocation, productivity, and social welfare via strikes, restrictive workplace practice and raising wages above the competitive norm—associated with the monopoly face by boosting morale, loyalty, and commitment; reducing turnover; and providing information. The voice face may be efficiency-enhancing, especially in light of market imperfections like information asymmetry and mobility costs—a possibility neglected in most economics literature by the a priori assumption of perfect markets.

The positive contribution of the voice face has resonances with what Walton and McKersie (1965/1991) call 'distributive' versus 'integrative bargaining' in their seminal text *A Behavioral Theory of Labor Negotiations*. The majority of the literature in this section is united by a common approach to collective bargaining, what Walton and McKersie (1965/1991) label distributive bargaining: a zero-sum conflict over a problem in which the parties' interests are diametrically

[13] This is consistent with the Coase Theorem (Moe, 1995), which suggests that voluntary agreements among rational and self-interested actors can produce welfare gains.

opposed. However, though distributive bargaining is the most common conceptualisation of the union-management relationship, it is not the only possible arrangement (Walton & McKersie, 1965/1991). An alternative model is provided by integrative bargaining which can apply to situations in which solutions exist that could benefit both parties—which increase the size of the pie rather exclusively determining its distribution (Walton & McKersie 1965/1991).

However, integrative solutions are not self-evident—they are discovered through joint problem-solving (Walton & McKersie, 1965/1991). This kind of joint problem-solving is only possible under particular circumstances and contexts. Similarly, Bennett and Kaufman (2004) argue that the benefits of voice can only be realised when management takes a constructive approach to collective bargaining and the parties deal with one another in a "spirit of mutual cooperation and gain" (p. 342). Walton and McKersie (1965/1991) emphasise the importance of trust and transparent communication—relational factors absent from many theories of union behaviour and which are incorporated into the theoretical framework of this research (Chapter 3).

The discussion thus far has focused on private sector unions. How might these concepts differ in the public sector? Though public sector unions may behave like private sector unions—their actions are driven by similar goals, i.e. scarcity consciousness—the institutional opportunity structure for exercising their power is thought to be unique (Freeman, 2005).

Public sector unions may provide both constructive, efficiency-enhancing voice as well as monopoly-based constraints (Freeman & Medoff, 1984). However, two major differences between public and private sector unions exist. First, the public sector may face lower fiscal constraints. Because the public sector cannot 'go out of business'[14], public sector management may have fewer incentives to resist union demands—especially because public sector unions get to elect their negotiation partners (Freeman, 2005). Thus, public sector unions' individualism may operate

[14] Which imposes a constraint on union demands since they too will suffer—in terms of job losses—if the firm cannot maintain economic competitiveness.

unchecked by fiscal discipline that would otherwise force them to work cooperatively with management—at least on some issues. The second key difference, cooperation and compromise in the public sector may not be efficiency-enhancing in the way postulated by the Coase Theorem[15] as compromises may maximise the welfare of negotiating parties at the expense of non-represented parties—the public (Moe, 1995). Third, the possibility for union involvement in electing their bargaining partners in the public sector is fundamentally different from the private sector. Elections provide unions with an additional avenue for advocating for public spending increases and alter the nature of bargaining (Freeman, 2005).

2.2.1c Professionalism

The differences in the institutional environments of public and private sector unionism—lack of fiscal constraints, ability to elect bargaining opponents and lobby them politically—are significant. However, another distinction of equal importance when it comes to understanding the interests of teachers' unions relative to their private sector, blue-collar counterparts remains. Gunderson applies Freeman and Medoff's (1984) two faces framework and argues that in the public sector, voice is relatively more important than in the private sector because of the highly-educated and 'professional' character of the public workforce *(*Gunderson 2005, p. 396). Gunderson suggests that part of what public sector unions do—especially those who represent educated professionals—is to bring the workers' expertise to bear on workplace issues. This 'voice' may improve the working conditions for employees, but may also have significant benefits for the successful execution of the work—benefiting both management and students, in the case of education.

The distinct challenges of the public sector environment and the unique characteristics of public employees meet in discourses of professionalism. States' ability to act unilaterally in the

[15] See footnote, 15

development and implementation of policy—for example in education—is limited; they depend on producers to inform their decision-making and will rely on them to implement policies after they are formulated (Williamson, 1988). Furthermore, the fact that producers in the welfare fields are often considered professionals or 'semi-professionals' (Krejsler, 2005) imbues these occupations with a special status and credibility in the policy-making process (Gunderson, 2005). Thus, their involvement is viewed as more "legitimate because of their public-regarding ethos than the inclusion of economic producers whose motives are seen as obviously centred on their material self-interest" (Williamson, 1988, p. 178).

Parsons (1954) defined a profession—a highly-contested concept—as an occupation that maintains a monopoly position, has secured the rights of self-regulation, is organised to defend its position of power, and acts, or is thought to act, in an altruistic and public-regarding manner. The degree to which professionals and the organisations that represent them are motivated by an altruistic or public-regarding manner is the subject of great debate both theoretically and empirically (Brante, 1988; Friedson, 1988, 1989, 1994; Gross, 1978; Larson, 1977; Marshall, 1939). However, the key distinction is that it is possible that public sector workers are motivated by altruism or solidarity extending beyond their material self-interest[16]. This assumption has significant implications for teachers' unions' behaviour and impact.

2.2.1d Patterns of Cooperation: Corporatism and Concertation

Though economic self-interest is the predominant explanation of union preferences in both political and economic frameworks, the adversarial and competitive depiction of union-management[17]relationships is not the only possible conception. In much of Europe, unions are seen as giving voice and representation to a key sector of society; without this representation, this voice would be heard in a more threatening way (Tucker, 2011). As Cawson (1985) argues:

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[16] Professionalism will be further explored in Chapter 3
[17] Or union-government

> …not all interest organisations are simply aggregate containers into which preferences are poured. Certain kinds of organisations have developed a semi-compulsory character; they constrain and discipline their members and often make exit from the organisation difficult if not impossible. (p. 4)

The theoretical alternative to pluralist policy-making is concertation or corporatism (Schmitter, 1982). Concertation refers to the process whereby policy is made by agreement with employers and trade unions (Compston, 2003). Corporatism is a more contested term[18]; but for the purposes of this research, the important distinction between corporatism and concertation is that the former refers to particular institutional arrangements that formalise negotiation –encompassing organisations or peak associations that participate in centralised or tripartite negotiations—while the latter is more process-centric (Schmitter, 1982).

Even Olson (1982), who suggests that competition between rent-seeking interest groups undermines economic efficiency and growth, portrays encompassing organisations as a solution to the interest group problem. Because of their exclusivity and homogeneity, narrow distributional coalitions promote their members' preferences at the expense of benefits to non-members. However, the inclusivity of membership in encompassing organisations[19]—or peak organisations (Olson, 1982)—disciplines their interests and advocacy; they have "some incentive to make the society in which they operate more prosperous" (Olson, 1982, p. 74).

From this lens, the effect of policy concertation is to align the incentives of all bargaining parties. With public voice in the decision-making process, interest groups are also accountable for

[18] Korpi (1983) distinguishes between state corporatism—a tool for state control and coercion—and what he labels 'societal bargaining', which Cawson (1985) calls neo-corporatism.

[19] Encompassing organisations are defined as "large heterogeneous interest organisations" that through corporatist arrangements are encouraged "to accept public responsibility for their demands and actions" (Micheletti, 1990, p. 255-256).

the effective provision of the public good: with influence come incentives to behave responsibly[20]. This influence-for-responsibility exchange may be particularly salient in the provision of public services, particularly when the central state is dependent on others for the successful realisation and implementation of services (Williamson, 1988, p. 169). It also may be closely linked to, and justified by, the public-serving ethos of professionalism, as outlined in the previous section (Cawson, 1982).

Despite institutional changes in the formal representation of labour market organisations, the process of compromise and negotiation with organised labour and interest groups remains central to the policy-making process in many nations (Molina & Rhodes, 2002; Rhodes, 2001). Rather than disappearing, corporatism has been updated in the form of concertation (Schmitter, 1982). The subtle shift in the discussion from institution-centric corporatism to process-focused concertation reflects an emphasis on policy style—the standard operating procedures for handling issues which arrive on the political agenda, which include both the government's approach to problem-solving and its relationship with other actors (Richardson, 1982; Bacarro, 2003).

Compston (2003) identifies concertation as the product of three factors: policy problems that are solvable via concertation, the degree of pre-existing shared frameworks for the goals of economic policy, and the degree to which all sides can be expected to fulfil their commitments. Though Compston focuses on national-level agreements and public policy broadly-defined, the shift from institution-focused corporatism to process-focused concertation is significant in this research for two reasons.

First, it extends the potential influence of compromise and negotiation *beyond* the coordinated market economies (Hall & Soskice, 2001) with the formal institutional arrangements that mark corporatism. Research on concertation has demonstrated that social 'pacts' (Culpepper,

[20] More cynical interpretations suggest that corporatism was motivated by the state's need for control and legitimacy, i.e. the appearance of democracy (Lehmbruch, 1977).

2002) are being implemented in countries without the institutional prerequisites—organised, centralised, internally coordinated and encompassing unions and employers with authority over their constituencies (Rhodes, 2001). So, concertation is not restricted to small corporatist nations (Katzenstein, 1985) or coordinated market economies (Hall & Soskice, 2001). And, it is possible that patterns of policy-concertation may be observed at the sectoral level even when they are not observed at the state level. For example, in Scandinavia, which is known for high-levels of formal and informal policy coordination, “there have been marked differences between policy areas with respect to the extent of routine pressure group involvement” (Arter, 1999, p. 163). A similar diversity of interest group involvement is feasible in education politics in the United States given its strong history of local educational governance in school districts (Berkman & Plutzer, 2005) as well as highly-differentiated laws on unionisation and collective bargaining (Johnson & Donaldson, 2006).

Second, whether policy-making is viewed through a pluralist or corporatist/concertation lens has important implications for conceptions of the role of interests groups in policy-making and reform—including the role of public sector unions in public sector restructuring and reform. Though pluralist policy-making (Truman, 1951) assumes a power-oriented approach to policy-making, concertation provides a theoretical mechanism through which interest groups may express more cooperative goals. The resilience of concertation suggests that a relatively collaborative approach to union preferences, goals, and demands is both theoretically and empirically possible.

Collaborative approaches should not be misconstrued with the absence of conflict. Katzenstein (1985) is clear that the “ideology of social partnership” (p. 88) is not rooted in an individual predisposition towards compromise, but that the ‘culture of compromise’ is an institutional pattern or a shared commitment—in spite of disagreement. Similarly, in their writing about U.S. teachers’ unions, Koppich and Kerchner (2000) argue that collaboration is not synonymous with 'consistent civility' or an absence of conflict. This distinction—that parties can collaborate in spite of disagreement—is crucial.

The key contribution of theories of concertation to this research is two-fold. First, the research must be sensitive to the structures that "manage to couple narrowly conceived group interests with shared interpretations of the public good" (Katzenstein, 1985, p. 32). Second, this research will remain open to the way that actors' first order preferences may be disciplined or modified by relationship patterns rooted in both formal and informal institutions.

2.2.1e Conclusion: Inter-disciplinary Perspectives on Union Interests

Moe's characterisation of teachers' and their unions' is that they promote their interests without regard to the interests of students. Similarly, both interest group theory and research on labour unions predominantly emphasise, what Scharpf would call an 'individualistic'[21] orientation. However, though rational choice theory—which significantly informs Moe's work and thinking[22]—assumes individualistic preferences (see Chapter 3), alternatives exist. Table 2.2 provides an overview of relational preferences. It provides a relatively systematic account of the preferences of the union (ego) relative to its desires for alter[23]. An altruistic orientation reflects an effort by the union (ego) to maximise gains to the public good (alter) without any consideration of its own benefits. In a hostile orientation, in contrast, the union would attempt to maximise harm to the public.

[21] 'Individualism' when applied to the union—a 'composite actor' (Scharpf, 1997)—refers to the individualistic orientation of the organisation relative to other actors, not necessarily to the preferences of individual teachers

[22] Moe promoted the 'new economics' or the 'positive theory of institutions' as providing "basic orientations' which "tell us, in general terms, what is likely to be important in politics, and thus what to look for and how to explain what we find. They structure our thinking and guide our research. The question I want to address is not whether they are right or wrong in any strict sense, but how well they seem to capture the essence of what is going on" (1994, p. 281).

[23] Though defining alter' in the public sector is more complex than the private sector (management), we will assume that management/government perfectly represents the public interest or public good—ignoring the possibility that it could be promoted by power, control, or a variety of other preferences.

TABLE 2.2: Motivational Orientations, Scharpf (1997, p. 85-87)

	Summary	Preferences (U^x) of Ego (X) Relative to Alter (Y)
INDIVIDUALISM*	Self-interest maximisation	U^x= X
SOLIDARITY*	Unrestrained cooperation	U^x= X + Y
COMPETITION*	Need to win; envy	U^x= X - Y
ALTRUISM	'helping professions'	U^x= Y
HOSTILITY	Hate	U^x= -Y

**Also identified by Walton & McKersie 1965/1991*

Though these are ideal-typical configurations and they refer to relational preferences rather than specific policy preferences—for higher salaries or better working conditions, for example—they provide a helpful framework for approaching the various perspectives on union preferences. Theories of interest groups primarily emphasise individualism; even within organisations the micro-foundational assumptions of group behaviour are not solidarity, but individualism. Despite its primary focus on individualistic orientations, the literature on unions remains open to the contribution of professionalism or non-economic motivations. Professionalism (Section 2.2.1c) may promote solidarity or altruism, providing an important check against unions' economic interests—particularly amongst public sector unions. Finally, theories of corporatism suggest that institutions can be arranged in such a way that actors are incentivised to cooperate—to maximise their joint gain. Thus, the individualism of unions is subjected to pressures to promote the public good (Cawson, 1985).

Research that explicitly focuses on teachers' and union leaders' preferences support a view of preference complexity, suggesting that self-interests and other interests are "always present and that the union's emphasis cycles back and forth, depending on the contextual conditions that vary across time" (Poole, 2000, p. 98). Furthermore, the relative weight assigned to various goals varied across individuals (Poole, 2000). Any investigation of teachers' unions must remain open to the ways in which non-economic interests may inform union preferences, strategies, or actions. ACI provides a structured but open approach to union preferences, incorporating both short- and long-term interests and both economic and non-economic goals and preferences (Chapter 3).

2.2.2 Distinguishing Between Strength and Power

The second key concept to Moe's account of teachers' unions is power. Though Moe is not alone in suggesting that teachers' unions are powerful (Bascia, 1990; Cooper & Sureau, 2008b; Hess & West, 2006; Kahlenberg, 2006; Koppich, 2005; Koppich & Callahan, 2009; Moe, 2006), his argument for the power of teachers' unions is notable for its comprehensiveness.

Union strength, power, and influence are often used interchangeably but it is crucial to be precise about how these terms are operationalised. Union strength is a critical concept in researching teachers' unions. In the field of labour relations, strength is conceptualised as density—the ratio of unionised versus non-unionised workers in a given industry. However, union strength can also be mobilised as a functional term—unions are strong if they are influential. For example, though acknowledging that as a whole, union strength in the US—as measured by union density—was declining in the 1980s, Fiorito and Maranto (1987) went on to suggest that "in certain industries, occupations, and areas of the United States, unions are strong *in the sense that they continue to achieve favourable bargaining settlements and or legislation* that would not have been obtained but for unionism" (p. 12, emphasis added). Fiorito and Maranto's multiple definitions—one that is quantifiable and objective and another that is subjective and unquantifiable—of union strength illustrates the challenge of achieving conceptual clarity around strength and power.

Measuring strength as 'successful influence'[24] is untenable for theory-building as it creates an unfalsifiable hypothesis. For example, attempting to test a variant of the hypothesis, "strong teachers' unions exercise their influence in order to protect the interest of their members, which

[24] Or, "achiev(ing) favourable bargaining settlements and or legislation that would not have been obtained but for unionism" (Fiorito & Maranto, 1987).

results in the suboptimal organisation of schools", is impossible. If legislation or bargaining settlements are—or appear to be—influenced by unions, then unions are strong and the hypothesis is confirmed. If legislation or bargaining settlements are not influenced by the (assumed) interests of teachers' unions, then, by definition, those teachers' unions are not strong and the hypothesis is confirmed. In order to test, and possibly challenge, refine, or falsify the hypothesis that strong unions shape outcomes in suboptimal ways, conceptual clarity about union strength, as distinct from the *effect* of union strength is required. Sections 2.2.2a and 2.2.2b draw a distinction between union strength and union power. Section 2.2.2a draws on the existing literature to define union strength as the measurable resources available to unions in their effort to influence policy outcomes.

2.2.2a Union Strength

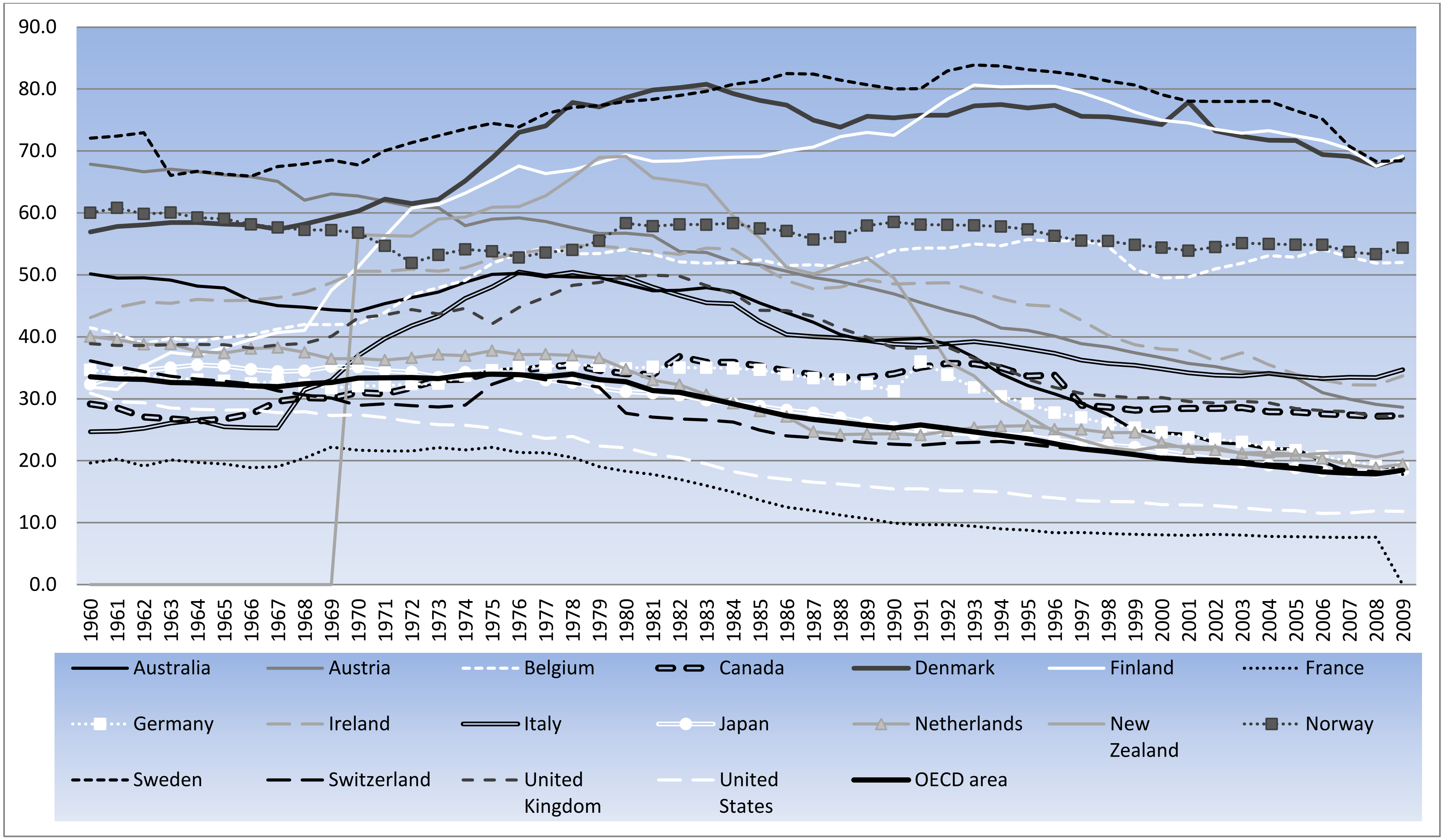
What is union strength and how should it be measured? Union density is the traditional measure of labour strength. Especially in international comparison, the two terms are sometimes used interchangeably (Blanchflower & Freeman, 1992; Kahn, 1979; Oskarsson, 2003). Some suggest that union density as a measure of strength should be moderated by analysis of other variables including: union competition or financial and political resources like assets, net worth, revenues, and political action committees (Bennet, 1991; Masters & Atkins, 1996; Mitchell, 1996; Willman, 1990). However, despite its limitations, union density may be the best available indicator of union strength (Ebbinghaus & Visser, 1999, p. 135-136). Examining international trends in union density provides the opportunity to make three important distinctions.

First, though a secular decline in union density across the OECD area has been observed since the 1960s (Figure 2.3), marked differences between countries persist with significant differences between the Nordic countries and the United States, for example (Figure 2.4). So it is important to be cautious in speaking about a decline in union strength and the relative decline should not be perceived as convergence or universal weakening of unions.

Second, focus on the secular decline in aggregate union density ignores significant differences between trends in public and private sector membership in many countries. For example, though total union density in the United States has fallen from 20.1% in 1983 to 6.6% in 2011, public sector unionisation was 35.9% in 2011 (Bureau of Labour Statistics, 2013), suggesting that general conceptions of union strength may obscure important differences between sectors and industries within a country.

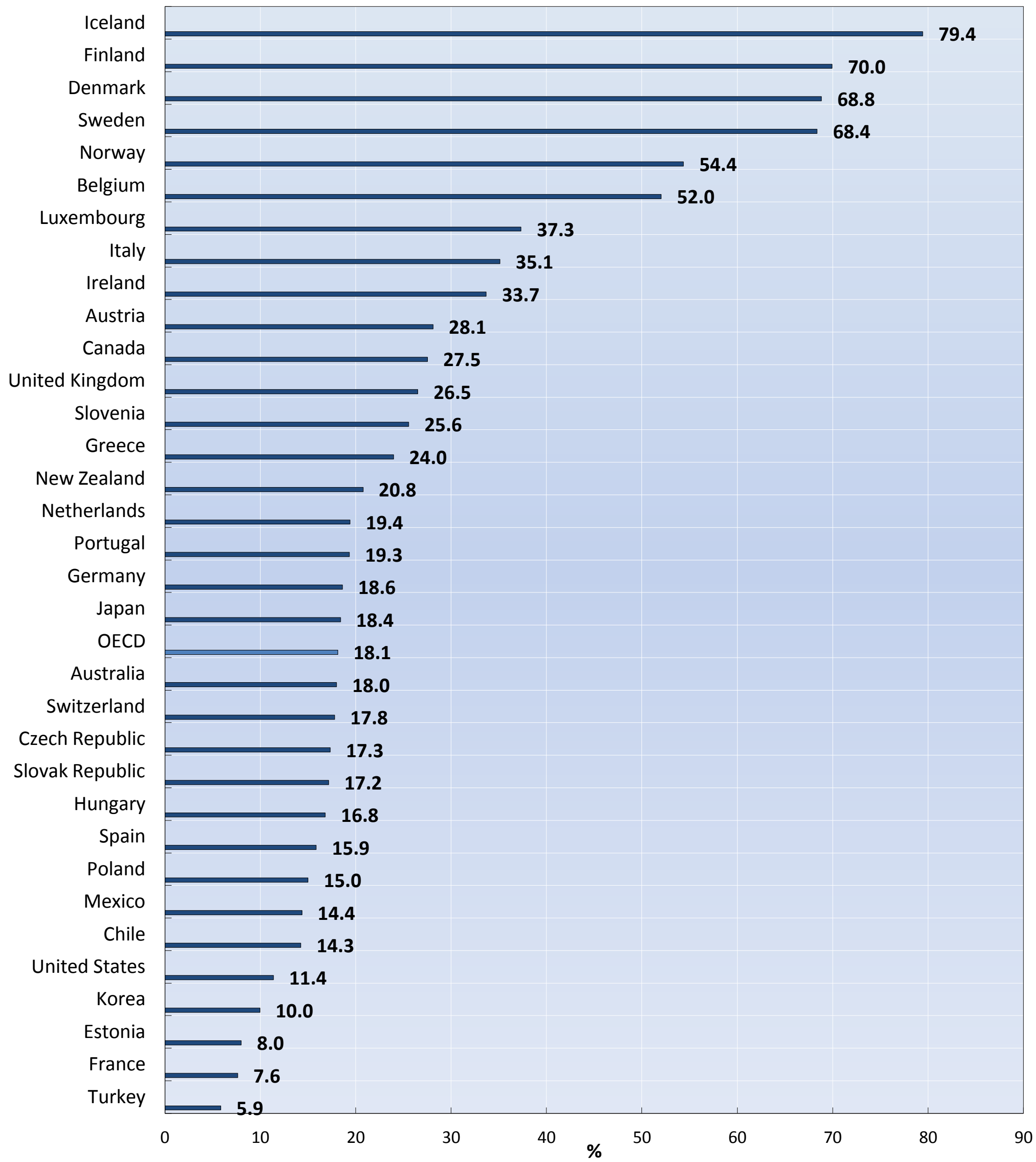
Third, when union strength is examined in comparative context, it confirms the importance of keeping static measures of union strength distinct from union power or influence. The relationship between strength (resources) and power (influence) seems to vary cross-nationally. For example, despite their weakness according to density (see Figure 2.5), French unions are generally regarded as influential or powerful (Goetschy, 1998, p. 368-370). This seems to suggest that power and strength are not identical.

TABLE 2.3: Trade Union Density (Percentage of Employees) in OECD Countries, 1960-2009[25]



[25]ICTWSS database (Institutional Characteristics of Trade Unions, Wage Setting, State Intervention and Social Pacts, 1960-2010) version 3.0

TABLE 2.4: Union density, percentage of employees 2009[26]



2.2.2b Union Power

The tension between strength measures and conceptions of power—for example in the case of French unions—is important and speaks to the contingency of power (Immergut, 1992). Ultimately, unlike strength, which refers to a set of somewhat static, measurable resources, power is dynamic and realised through the "influence process" (Laswell & Kaplan, 1950). Power is difficult

[26] ICTWSS database (see previous)

to define. Some distinguish between coercive and consensus-based power: Laswell and Kaplan (1950) identify power, as action motivated by sanctions and thus a degree of coercion, and influence[27]; and Parsons (1963) refers to positive—inducement or persuasion—and negative sanctions—coercion or activation of commitments or obligations. Moe (2005) argues that cooperative and mutually beneficial relationships *between* these insiders should not be taken as a sign of power-free, neutral institutions. Instead, to the extent that cooperation occurs, it should be seen as a manifestation of power as only some of the players in part of the story are included in cooperative processes and these players use cooperation to "impose institutions on political losers" (Moe, 2005, p. 228). In this research, power is defined as "the ability of one party to fix or alter the conditions of exchange in its favour" (Armstrong, Bowers, & Burkitt, 1877, p. 91) which rests on political, social, and economic factors[28].

Furthermore, this research adopts Immergut's (1992) view of the contingency of power. She argues that "power is not an essential or invariant characteristic of particular interest groups", but instead is "contingent on strategic opportunities stemming from the logic of political decision processes" (Immergut, 1992, p. 8). Parsons (1963) calls power a "circulating medium, analogous to money" (p. 236). In his review of teachers' unions' power in the US, Urban (2004) argues that while union membership and other strength resources from 1980-2000 were steady, the mobilisation of those resources—the currency conversion into power—was highly variable. Furthermore, the purchasing power of strength resources can vary across domains—national, state, or local politics versus bargaining (Streshly & DeMitchell, 1994).

Emphasizing the contingency of power places the focus on the *process* through which strength resources are translated into power. The question is not who is powerful, or even, how powerful are teachers' unions, but, which actors were influential in *this issue* at *this time?* Tracing

[27] They also identify a third category 'authority' which enables acceptance to be motivated by attitudes towards legitimacy.
[28] This is also similar to Hobbes' definition of power as the capacity to attain ends or goals in social relations.

the impact of unions on public policy-making is complicated because no single process by which policies are formed exists—behaviour and frameworks vary from issue to issue. Educational policy-making is hard to model due to the proliferation of forms: how do problems develop? who is involved in their formation? on what issues? under what conditions? in what ways? (Bent & Reeves, 1978). For example, in the United States, is the policy primarily a federal, state, or local decision? Furthermore, is the policy determined through bargaining or politics? The answer to these questions impacts teachers' unions' influence and the way that influence is manifested. The contingency of power makes the theoretically significant activities of public sector unions—their conversion of strength into power—difficult to identify, exacerbating in theories of public unionism, the curious opacity of union activity in the theoretical literature of trade unionism (Pocock, 1999). However, despite the inherent challenges, explicating the contingent process through which strength resources are translated into power will address a significant gap in the existing literature.

2.2.3 Conclusion

Theories of teachers' unions and their assumptions of interests, strength, and power, are plagued by two major limitations. First, the dominant assumptions about teachers' unions' interests are overly narrow, excluding real alternatives. Despite sweeping generalisations about union interests and influence, there is great—and documented—local variation in union interest and response as well as policy outcome (Bascia, 1990; Johnson & Donaldson 2006; Johnson & Kardos 2000; Murray, 2004). Intra-organisational demands and the requirements of political legitimacy are context dependent, critical to organisational survival, and may vary over time and space (Bascia, 2009; McDonnell & Pascal, 1988; Urban, 2004). The way that leaders manage the tension between internal and external demands—when they are in conflict—may lead to different union strategies and policy outcomes. Second, union strength[29] is poorly understood and operationalised in

[29] Similarly, unionisation is poorly understood. When does an organisation of teachers go from an association to a union? When their memberships include more than 50% of teachers within their district; when teachers' organisations are legally given the

teachers' union research. Policy-making influence may fluctuate by issue, arena, political culture, institutional arrangement, strength of contending groups, and the degree of cohesion or fragmentation within the union itself (Malen, 2001). Union strength is an essential concept in order "to determine how heterogeneous unions may differently affect important outcomes" (Strunk & Reardon, 2010, p. 632).

As a result, empirical research cannot adequately explain "why some union-district negotiations are more peaceful than others or why conflict may surge and fall from one contract negotiation to the next within a given district" (Hess & Kelly, 2006, p. 61). Nor can it produce reliable generalisations about the influence of teachers' unions on policy outcomes. If a union fails to achieve its theoretically-derived policy goal—for example, to increase teachers' salaries or to obtain stronger tenure protections—is that because the union was weak? Or could it have been because the union's interests deviated from theoretical predictions? These insights are essential for creating consultation and bargaining processes that incorporate public sector unions in ways that promote effective and efficient policy-making.

These gaps are exacerbated by a systematic neglect of the *process* through which teachers' unions impact education policy. Virtually all empirical research—including Moe's effort in 2011—attempts to measure the relationship between unionism[30] and some measureable outcome[31]. However, the relationship between independent and dependent variable—the variable process through which unionisation or union strength is employed to influence policy—is ignored (Goldhaber, 2006). The process-oriented research focus—when do such results occur; why don't they always; and what is the role of teachers' unions in these processes?—is essential to addressing these gaps.

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right to collectively bargain at the state level; when they actively engage in a contractual agreement with the school district; or some combination of the three?

[30] However defined

[31] Organisation of schooling as reflected in collective bargaining agreements or spending or student achievement

2.3 The Irresistible Force: Education Reform

The concepts outlined in Section 2.2—union interests, union strength, and union power—connect the immovable object to the irresistible force: they are the building blocks of theorizing which aims to describe how teachers' unions impact education reform. Moe (2011) identifies a number of specific policies that teachers' unions oppose and attempt to block. In order to aid comparability, the case studies in this research focus on one policy in particular—PRP.

Like neoliberalism and NPM, PRP is a broad label, which unites a variety of diverse strategies and policies. Though all proposals under the PRP banner share an emphasis on paying teachers on the basis of 'outputs'—i.e. performance—rather than the inputs which have traditionally defined teachers' and many civil servants' salary schedules: years of experience and levels of education among others. However, within this commonality there is significant diversity in the way performance is measured and the design and distribution of the rewards.

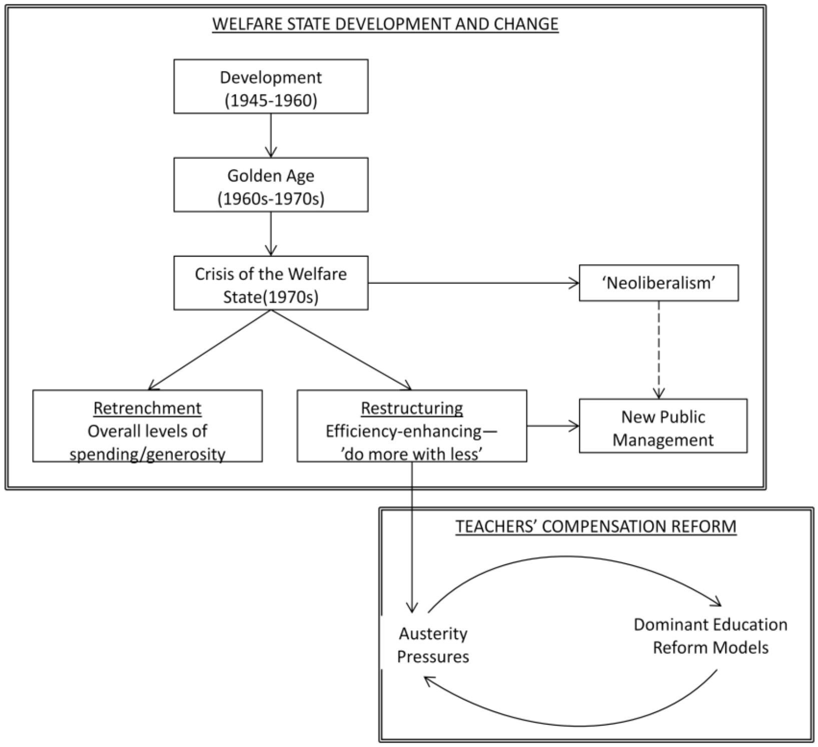
Johnson and Papay (2009) provide a useful framework for classifying schemes of PRP for teachers. In their framework, performance can be measured by student achievement, professional evaluations, or some combination of the two. These categories can be more finely differentiated by the way student achievement is measured (standardized assessment or teacher-designed?) and who conducts evaluations (principals, peers, or others). According to Johnson and Papay, independent of the way performance is measured; PRP systems can vary in how awards are distributed: Are they awarded to individuals or groups? Do awards go to all teachers who meet an absolute threshold of performance or on the basis of relative rankings? Finally, rewards can also be applied to teachers' base salary in what Armstrong (2009) labels contingent pay or they can be paid as one-off bonuses, and the size of rewards can vary greatly[32].

[32] For a more detailed typology see Appendix VII

As much as PRP and teachers' unions response to it may be united by common tensions and questions about the nature of linking teachers' pay to various outputs, the particularities of systems' design—the measure of performance, the size of the reward, whether it is a bonus or added to base salaries, and whether it is awarded to groups or individuals—will inform the debate about systems' proposed effectiveness and teachers' unions' responses to these systems.

The evidence for and against PRP—fundamentally shaped by the variability of plans united under the label—will be reviewed in Section 3.3.1b. But for now, PRP as a broad construct must be understood in the larger context of education policy-making and reform and the broader dynamics of public sector restructuring and welfare state change (See Figure 2.5). After a period of growth and expansion from the end of World War II through the mid 1970s which has been dubbed the 'golden age' of welfare capitalism, the 'new politics' of permanent austerity dawned in the 1980s (Pierson, 2001). The post-1973 stagnation and the shifting labour market structure vis-à-vis post-industrialisation and demographic change created public sector deficits which combined with globalisation to create the perfect storm of massive strains on welfare states (Pierson, 1998; Swank, 2001). These shifts—demands to do more with less—provide one significant context within which PRP for teachers must be understood. The other important movement—fundamentally related to the first—are broader shifts in conceptions of the teaching profession and teachers' work (Compton & Weiner, 2008a, 2008b).

FIGURE 2.5: PRP Reform in the Context of Welfare State Change



The remainder of this section contextualises PRP reform within these broader shifts and movements. Theoretically, it reveals gaps in the existing literature of welfare state development and change; gaps which this research illuminates. Practically, it contextualises the particular reforms explored in the case. Furthermore, this contextualisation confirms that, despite their particularities and contingencies, the reforms explored in this dissertation are linked to common models and frameworks.

Section 2.3.1 outlines the responses to the crisis of the welfare state, with particular attention to restructuring efforts in the education sector. Section 2.3.2 addresses the broader New Public Management (NPM) reform movement linked to states' restructuring efforts and associated with 'neoliberalism'. These public sector reform mechanisms and movements are a significant part of the story of efforts to restructure teachers' compensation; in both international cases, reforming teachers' compensation was approached as a part of broader reforms of public sector employment.

However, these movements must be understood in parallel with the particularities of education reform and dominant ideas about the teaching profession (Section 2.3.3).

2.3.1 Welfare State Restructuring and the Education Sector

In the 'new politics' (Pierson, 2001), austerity pressures are commonly associated with retrenchment[33], but these analyses often neglect the potentially significant role of welfare state restructuring—efforts to do more with less. The new politics literature, with few exceptions (see Clayton & Pontusson, 1998; Timonen, 2001), has focused on social insurance policies or income redistribution, often excluding welfare services—health care, child care, and education—from their analyses.

Beyond the centrality of social services to accomplishing the goals and purposes of the welfare state across regime types[34], the role of welfare services may be increasingly significant in responding to the demands of the mounting pressures facing contemporary welfare states. Without ignoring the significant welfare state restructuring since the 1980s (Pierson, 2001), an exclusive focus on retrenchment, as measured by spending in particular policy areas, ignores the notable expansion of some public services in response to new social risks (Bonoli, 2005; Taylor-Gooby, 2004). In particular, the importance of providing a quality education to all citizens is uncontested as it is critical to securing both individual economic flourishing as well as to promoting collective economic prosperity and equality. Beyond the economic benefits, a quality education is thought to be the foundation of a functioning democratic society. Though one of Beveridge's original pillars, education's importance has only increased since the 'golden age'. Education has frequently been promoted as a critical investment-oriented approach[35] to address "new social risks" (Bonoli, 2005)

[33] which focuses primarily on variation (decrease) in welfare generosity measured by total expenditure levels (Korpi & Palme, 2003)
[34] As evidenced by their central role in responding to Beveridge's five 'Giant Evils' (1942)
[35] Providing a high-quality education that prepares individuals for economically self-sufficient lives is the best way to lessen future demands on the welfare state (Barro, 2001; Hall & Jones, 1999). In contrast, an illiterate or undereducated population is on a path that will likely result in exclusion from consistent labour market participation.

and the ever-evolving insecurities and demands of the globalizing world (Esping-Andersen, 2002, 2009; Jenson & Saint-Martin, 2006). The demands of the new knowledge economy have prompted a reconceptualisation of education policy as critical to accomplishing the aims of the welfare state (Allmendinger & Leibfried, 2003). The largely myopic focus of social policy research on changes in levels of spending, particularly in terms of income redistribution and social insurance policies, has resulted in little attention being paid to this significant area of welfare state adaptation and change (Peters, 2012).

The teaching profession sits at the cross-hairs of competing pressures (Figure 2.5). On one hand, the quality of the teaching force is deemed to be the single most important school-level determinant of the quality of education that students receive (Hanushek & Rivkin, 2006). But on the other hand, staffing is the biggest line-item within education budgets, which means that governments are faced with the paradox of trying to contain expenditure while maintaining and improving the quality of its teachers and schools (OECD, 2012).

2.3.2 'Neoliberalism' and New Public Management in the Education Sector

One particular brand of restructuring is NPM reform, commonly associated with 'neoliberalism'. Both concepts are used in this dissertation in spite of their lack of conceptual clarity because they refer to reforms perceived as globally common responses to the crisis of the welfare state and its restructuring demands. Furthermore, these terms—neoliberalism in Finland[36] and NPM in Switzerland—were used by interviewees and informants in the international case studies. Though they serve as useful building blocks for this inquiry, these terms must be used with care. Thus, after defining neoliberalism and NPM (Section 2.3.2a), this section will explicate a few important caveats essential to using the terms clearly.

[36] Most discussions referred to NPM and neoliberalism as a type of hidden movement in Finland, as characterised by Temmes (1998)

2.3.2a Neoliberalism and NPM Defined

Neoliberalism has been defined as "a theory of economic practices proposing that human well-being can best be advanced by the maximisation of entrepreneurial freedoms within an institutional framework characterised by private property rights, individual liberty, unencumbered markets, and free trade" (Harvey, 2007, p. 22) which emphasises a limited state role and promotes the creation of markets in education, health, and other policy arenas. It is often linked to the policies of Reagan and Thatcher and its progenitors Friedrich Hayek and Milton Friedman, who preached the power of markets and the need for limiting the role of the state in economic, social, and political decisions (Harvey, 2005; Pierson, 1994). The widespread welfare state reforms associated with this era—reduced generosity of benefits, tightened programme eligibility, mechanisms for cost control, the privatisation of some social services, and increased targeting (Swank, 2001)—was not confined to the neoliberal ideological leaders or even to the Anglo-American welfare states (Krejsler, 2005; Mudge 2008; Stephens, 1996; Swank, 2002).

However, as a construct, neoliberalism lacks a consistent or unifying doctrine (Mudge, 2008). It has been employed in vague and undefined ways, usually in the context of sinister attempts to dismantle the welfare state (Hudson, 2007; Krejsler, 2005; Robertson, 2008). The common theme across the strategies and reforms to which it has been applied is a perceived link to market forces, mechanisms, or, in more extreme cases, privatisation (Hudson, 2007). Thus in education policy, the application of neoliberalism has been particularly broad—referring to everything from PRP to increased school choice to privatisation of schools and services (Compton & Weiner, 2008; Levin, 1997; Maroy, 2009).

NPM is a particular strand of public sector reform, which has informed the restructuring of public employment across countries and sectors (Peters, 2012) and is commonly associated with neoliberalism. NPM has been defined as "hands-on professional management that allows for active, visible, discretionary control of an organisation by persons who are free to manage; explicit standards of performance; greater emphasis on output control; increased competition; contracts devolution; disaggregation of units; and private sector management techniques" (Christensen & Laegreid, 2001, p. 19). However, applications of NPM, like neoliberalism, have been broad, encompassing, and vague. Both terms are messy and under-specified. Two important distinctions increase clarity around the terms' meaning and use in this dissertation.

First, the *perceived* ideology of neoliberalism and NPM must be distinguished from the specific policies and reforms that have been commonly associated with the terms. In the context of the era of retrenchment, neoliberalism has been employed as a catch-all term for all efforts, either overt or more covert, to dismantle, shrink, or beat back the state—to abdicate its commitments to equality and citizenship rights (Hudson, 2007; Krejsler, 2005). However, the perspective of Ozga and colleagues on decentralisation—often identified as a neoliberal strategy—in education provides an alternative view:

> Rather than interpreting these developments as evidence of the dismembering of the state, we suggest…that we must open up approaches to understanding the state that explore its reconfiguration, its new roles and its governing practices. (Ozga, Simola, Varjo, Segerholm & Pitkanen, 2010, p. 108)

This dissertation emphasises the common mechanisms of reforms rather than on the ideological orientation or goals of reforms. Yes, restructuring approaches labelled neoliberalism may be used to shrink the state, but the same approaches or mechanisms may be used to attempt to fulfil the state's existing goals and responsibilities more efficiently or effectively. After all, any attempts to claim that neoliberalism or NPM is based on a uniform set of goals or intentions is further complicated by the history and emergence of the term as an academic construct (Christensen & Laegreid, 2001). NPM was coined by Hood in 1990 to *retrospectively* describe changes that had taken place across OECD countries in the 1980s. Furthermore, though Hood (1990) noted similarities across reforms which he labelled NPM, he also noted differences (Sahlin-Andersson, 2001).

Under the market-oriented neoliberal umbrella, NPM is a broadly encompassing term that includes a diverse set of strategies and reforms ranging from accountability mechanisms, greater consumer choice, and many others which remake the public sector in the private sector's image (Bordogna, 2008). PRP is one particular strand of reform linked to NPM concepts[37]—efforts to compensate public employees, in this case teachers, on the basis of their performance[38].

In addition to delineating between ideology and mechanisms, the second critical distinction relates to the degree of diversity within these common mechanisms. The proliferation of reform mechanisms should not be read as policy convergence, as the doctrines of NPM are transformed by historical-institutional traditions and policy style differences (Christensen & Laegreid, 2001). Instead, NPM reforms should be understood as a group of ideas (Hood, 1991); variations on a theme (Hood, 1995); or a cluster of ideas (Sahlin-Andersson, 2001, p. 8).

A study of the Scandinavian states[39], for example, finds that all the states have adopted NPM-inspired reforms without dismantling welfare services and while maintaining strong traditions of collective bargaining in the public sector—commonly perceived to be under threat from NPM (Bach & Kessler, 2007). In all the Scandinavian states under investigation, "NPM (was) filtered, modified, and translated to each national context in a pragmatic and corporatist manner in which unions are partners rather than adversaries" (Ibsen, Larsen, Madsen, & Due, 2011, p. 2308). So NPM, a subset of neoliberalism, is best conceptualised as a loosely coupled set of reforms that have been employed in a variety of contexts.

[37] Bordogna (2008) identifies decentralised collective bargaining, the elimination of automatic salary increases, and the introduction of PRP as three NPM-based ideas
[38] PRP will be discussed in Chapter 3.
[39] Denmark, Sweden, and Norway.

2.3.2b Reform Trends in the Education Sector

NPM has been prominent across sectors, including in public education where an education "policy epidemic" (Levin, 1998) has been associated with neoliberal thinking—marked by its decentralisation, goal steering, accountability, managerialism, evaluation, choice, competition, and privatisation (Ball, 2001; Halpin & Troyna, 1995; Levin, 1998; Rinne, Kivirauma, & Simola, 2002; Whitty & Edwards, 1998).

In the United States, education reform has been labelled the "accountability" movement (O'Day, 2002; Ravitch, 2010)—emphasizing the use of incentives or sanctions to reward performance or legislate consequences for underperformance—and has become a dominant force in U.S. education policy. In addition to incentivizing performance at the district or school level, many have proposed new approaches for driving accountability measures to the level of the individual including new approaches to teachers' compensation that would link their pay more closely to their performance. Since *A Nation at Risk* was published (National Commission on Excellence in Education, 1983), frenetic reform in the U.S. has been fuelled by a sense that "school systems have failed to deliver what is required, and that the failure is especially lamentable in view of the high level of spending on education" (Levin, 1997, p. 48). The emphasis on "indirect steering from a distance which replaces intervention and prescription with target setting, accountability, and comparison" (Ball, 1998, p. 123) has been attributed to the new emphasis on targets and incentives, neoliberalism's ideology of markets over bureaucracies, and the resulting emphasis on 'performativity' (Ball, 2001, 2003). In education, the emphasis has been on competition, markets, and choice as well as accountability, performance objectives, and standards (Apple, 2001).

Though many of these reforms have Anglo-American origins, they are not unique to the United States; they are a part of a larger "global education reform movement" (GERM) (Sahlberg, 2011, p. 99). According to Ball (1998), these forces have spread via three transmission mechanisms: social and political networks, policy entrepreneurs, and the sponsorship and enforcement of multi-national organisations like the World Bank and OECD. In the developed west, the OECD has received significant attention as a reform conduit—especially since the establishment of Programme of International Student Assessment (PISA) exams in 2000.

Rizvi and Lingaard (2009) link the global movement to the OECD and its promotion of a "particular notion of 'good governance'" (p. 119), which they locate within the OECD's NPM ideology (OECD, 1995) and its emphasis on steering at a distance through competitive performance measures. The speed and scope of proliferation have led some to conclude that "It is now increasingly difficult to understand education in any context without reference to the global forces that influence policy and practice" (Crossley, 2000, p. 324).

Though GERM has emphasised management and regulation more than pedagogy and classroom practice, Maroy (2009) describes the reform movement as a shift in governance models—the way that good steering or governance is defined. The emphasis has shifted away from the bureaucratic-professional model—regulation based on standardised rules and where the teaching profession has significant influence over its work and working conditions—to a series of post-bureaucratic governance models (Maroy, 2009). Examples of post-bureaucratic governance include evaluative approaches—goals, external evaluation, and incentives and sanctions—and quasi-market mechanisms—centrally-defined objectives, autonomy, and school choice. They share a shift towards monitoring, incentivizing, and outcome-management (Maroy, 2009). The new managerialism challenges the authority, control, and ultimately professional autonomy of teachers as it shifts away from horizontal and internal professional control and towards top-down accountability measures (Mattei, 2007).

Hargreaves (2000) distinguishes between professionalism—'being professional' in terms of the quality of what teachers do—and professionalisation—how teachers are viewed by others. The shift in governance models impacts both. First, shifts in governance—a move from self-monitoring and enforcement to monitoring and accountability—can result in a deskilling of teaching (Apple & Teitelbaum, 1986), as "The structure of accountability imposed on schools by current political trends demeans teachers and undermines their occupational integrity" (Burbules & Densmore, 1991, p. 48). Second, accountability reforms often criticise—either implicitly or explicitly—teachers' work, contributing to deprofessionalising:

> …recent reports, the best known being *A Nation at Risk*, that criticise the mediocrity of schooling in the United States, implicitly and often explicitly attribute(e) this decline to teacher mediocrity or incompetence…have undermined the public appreciation and status accorded to teaching (Burbules & Densmore, 1991, p. 47).

Though Burbules and Densmore focus on the United States, Compton and Weiner (2008)—citing examples from the United Kingdom, Australia, Canada, and Germany, among others—argue that "though the titles and acronyms of policies differ from one country to another, the basics of the assault are the same: under-cut the publicly supported, publicly controlled system of education, teachers' professionalism, and teacher unions as organisations" (p. 4).

Thus, though the reform mechanisms associated with new approaches to education governance are wide-ranging—increasing school autonomy, tinkering with the centralisation/decentralisation balance and increasing emphasis on external evaluation, parental choice, and diversification of educational offerings—they have had a common and cumulative effect on teachers' work. They have been perceived as efforts to control teaching—"a tendency to erode teachers' individual professional autonomy" (Maroy, 2009, p. 75). Robertson (2008) identifies the global restructuring of education as a comprehensive change that affects the mandate of education, the work of teachers, the level and types of financing, and the basis of teachers' salaries. She argues that "Teacher unions have been placed under enormous pressure to yield to performance-based or ‘merit’ pay”, due, at least in part, to the fact that “internationally teachers’ salaries were seriously affected by austerity measures during the 1980s (ILO 1996)” (Robertson, 2008, p. 20). Thus, PRP in education must be understood as part of this broader, global education reform movement.

However, as discussed in Section 2.3.2a, commonality should not be read as uniformity or convergence as policy and reform is situated between global pressures and local vernacular interpretations and responses which produce variability (Levin, 1998; Ozga & Lingard, 2007). Thus, reform in an increasingly interconnected policy world may best be understood as “bricolage” (Ball, 1998, p. 126)—a process of borrowing reforms from elsewhere but reworking, adapting, and re-creating them within the new context. Thus, it is important to be able to recognise the ‘global’—to recognise and identify the common themes that have emerged—while also still attending to the ‘local’—the particular nuances and reinterpretations within a given context.

Though PRP, GERM, and NPM may be global phenomena to a certain degree, the tensions between global similarity and local particularity lies, at least in part, in the complex ways that policy travels, is borrowed, or is imitated—a process that is highly contingent (Ball, 1998; Bowe & Ball, 1992).Thus, in this dissertation, NPM in public education, a particular neoliberal reform brand, refers to the global, to the fact that the reforms under investigation occur in a common historical period of restructuring and that these reforms are united by some common themes and trends.

However, identifying these common global trends should not be confused with a claim of convergence around neoliberal ideals, either in the countries investigated or more generally. Discursive and ideological contexts may significant impact a country’s receptivity to ‘neoliberal’ reforms. Aasen (2003) found that the neoliberal emphasis in education was significantly mediated in countries with stronger or more extensive social democratic policies or visions. Similarly, Martens and colleagues (2010) argued that national veto players may influence the extent to which international organisations or reform trends impact national policy.

Thus, rather than convergence, the 'new' global trends are entangled with and re-articulated through the 'old'—"the deep-seated historical traditions, structures, practices, and institutional cultures specific to each nation" (Green, 1997, p. 23). Rather than creating a false dichotomy between *either* global convergence *or* local difference, it is important to hold the two in tension examining what others have called commonality within difference (Ball, 2001) or paradigm convergence (Ball, 1998). The interplay between global and local—the nature of institutional structures as well as ideological receptivity to global reform ideas—significantly informs the nature and effectiveness union responses to PRP reform proposals.

2.4 Conclusion: The Irresistible Force Meets the Immovable Object

This research attempts to construct a bridge. The research questions orient the study—directing focus to an obscure point across the canyon. This chapter reviewed relevant literature from across disciplines—scanning the existing literature to glean useful building blocks to approach the research questions which guide this inquiry, and from which it could build. The literature reviewed in this chapter has emphasized the interrelationship between three distinct concepts: union goals, union activity, and union strength. It has also highlighted a number of significant limitations within the existing research: overly narrow assumptions about teachers' unions' interests, vague conceptions of union strength and power, and a neglect of the contingent process through which unions impact policy. A gap remains between the structure that can be assembled from the existing research and what is needed to safely navigate the canyon. This literature provides a foundation from which to build. The theoretical framework outlined in Chapter 3 will collect the theoretical resources—a blue print—that will orient further construction.

CHAPTER THREE: Theoretical Framework—Actor-Centred Institutionalism

3.1 Introduction

Moe (2011) argues that teachers use their power to block policies that they oppose—like PRP. Moe's underlying assumptions about teachers' unions' interests—what they oppose and why they oppose it— are grounded in a rational-choice assumptions: that teachers' unions have uniform, predictable, and standardised interests. These assumptions provide the foundation for theorizing about unions' power. The specific causal mechanisms[40] through which teachers' unions wield their influence are left ambiguous—they may impact policy outcomes at the bargaining table, through political lobbying, or through other indirect means of influence—but their interests are stable and predictable.

Perhaps Moe accurately describes the effect of teachers' unions 'on average' in the United States. However, a number of crucial cases both within and beyond U.S. borders appear to defy these theoretical expectations—cases where teachers' compensation was reformed in spite of strong teachers' unions. Investigating the research questions through these crucial cases (Chapter 4) maximises the theoretical insights derived from them. How can the policy outcome—the fact that a 'strong' union did not block PRP, a traditionally unpopular policy—be explained?

Scharpf's (1997, 2000) actor-centred institutionalism (ACI) provides a framework, chosen because of its potential to overcome the limitations and weaknesses of the existing literature and frameworks outlined in Chapter 2: under-development of the ways in which teachers' and their unions' preferences may vary and the complex, process-based, contingencies of power (Immergut, 1992; Laswell & Kaplan, 1950). Consistent with adaptive theory approaches (see Section 4.2), this research, while remaining open to new theoretical insights, will utilise existing theory with the expectation that "increasing the resources, time and energy

[40] "An unobservable entity that—when activated—generates an outcome of interest" (Mahoney, 2001, 580).

directed towards theory development [will] enhance[e] the explanatory scope and power of research conclusions as well as tying (them) more firmly to the empirical evidence which forms its basis" (Layder, 1998, p. 25).

However, before turning to the methodological implications and applications of this framework in Chapter 4, this chapter will explore ACI and its theoretical relationship to rational choice institutionalism (RCI)—a framework whose dominant assumptions Moe shares. As the theoretical framework has been selected because of its potential to address the conceptual and theoretical shortcomings outlined in Chapter 2 and embedded in RCI assumptions, Section 3.2 provides a brief survey of the landscape of institutional theory.

Section 3.3 outlines the ACI framework, which posits that a policy outcome is the product of three interacting factors: the policy problem, institutions, and the actors' preferences and perceptions (Scharpf, 1997, 2000). This means that ACI includes but extends beyond RCI's assumptions of perfectly rational and self-interested actors. Instead of ignoring them, RCI explanations of teachers' unions' interests, actions, and impact become one hypothesis among a series of competing hypotheses of teachers' unions' activity. It builds the possibility of variable preferences (Section 3.3.3) into the framework—though in this research, preferences are approached inductively rather than deductively[41], an important distinction from Scharpf's (1997) methodological approach (see Section 3.3.3). Section 3.4 will outline the competing hypotheses that may explain the crucial cases investigated in this study.

3. 2 Overview of Institutionalisms

The 'new' institutionalism[42] has been labelled ambiguous (Hall & Taylor, 1996). The tree of new institutionalism produces at least three branches[43]: sociological institutionalism (SI),

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[41] Scharpf's (1997) strikes a middle way between RCI and SI, but leans towards deductive, a priori assumptions of actors' preferences and perceptions due to the significant advantages (parsimony) inherent in this approach.
[42] Institutionalism, though its form has changed over time, has been influential since the late 19th and early 20th century. "Old institutionalism", which treated institutions as merely the formal rules of behavior, was replaced in the 1960s and 1970s by behavioral approaches (Hall & Taylor 1996). In the 1980s, institutionalism experienced resurgence in the form of "new institutionalism", which united a broad set of sub-fields under its label (Hall & Taylor, 1996; Moe, 1994).
[43] Some would add discursive institutionalism as a fourth

historical institutionalism (HI), and rational-choice institutionalism (RCI) (Hall & Taylor, 1996; Immergut, 1998; Koelble, 1995; March & Olsen, 2008; Thelen, 1999). Though the three variants are marked by some basic theoretical and methodological distinctions, great diversity exists *within* each institutionalism (Hall & Taylor, 1996; Thelen, 1999). As a result of this intra-variant diversity, convergence and cross-pollination across schools has made it increasingly difficult to assign some research to a 'school' (Levi, 2008).

The complexity of the institutional field is important. The remainder of the chapter outlines the theoretical framework (ACI) and attempts to explicate the ways in which it improves upon the limitations embedded in Moe's RC assumptions—particularly his assumptions about teachers' unions preferences. Though Moe's earlier work (1980) remains open to 'mixed motivations' in organisations' preference-ordering, his work on teachers' unions (2011) largely ignores the role of mixed motives. Moe's behavioural assumptions about teachers' unions—that their preferences are fixed, that they attempt to maximise their preference-attainment, and that they do so through strategic interaction with other fixed-preference, utility-maximizing actors—are typical RCI assumptions (Hall & Taylor, 1996).

However, significant variation persists within the RCI school (Koelble, 1995; Levi, 1997, 2008; Levi & Cook, 1990). Some RCI theorists have incorporated considerations of cultural context and perceptions of appropriate behaviour—approaches that move the conception of exogenous preferences closer to endogenous considerations (Bates & Weingast, 1995). Thus, this discussion should not be read as pitting one variant of institutionalism against another[44]. To do so would be a gross oversimplification of rich and diverse theoretical and methodological programmes. Instead, the variants of new institutionalism should be approached as distinct perspectives which have the potential to be complementary rather than mutually-exclusive. The goal is to be clear about the theoretical framework and its particular conceptions and assumptions about actors and institutions, and, when necessary, how this approach is distinct

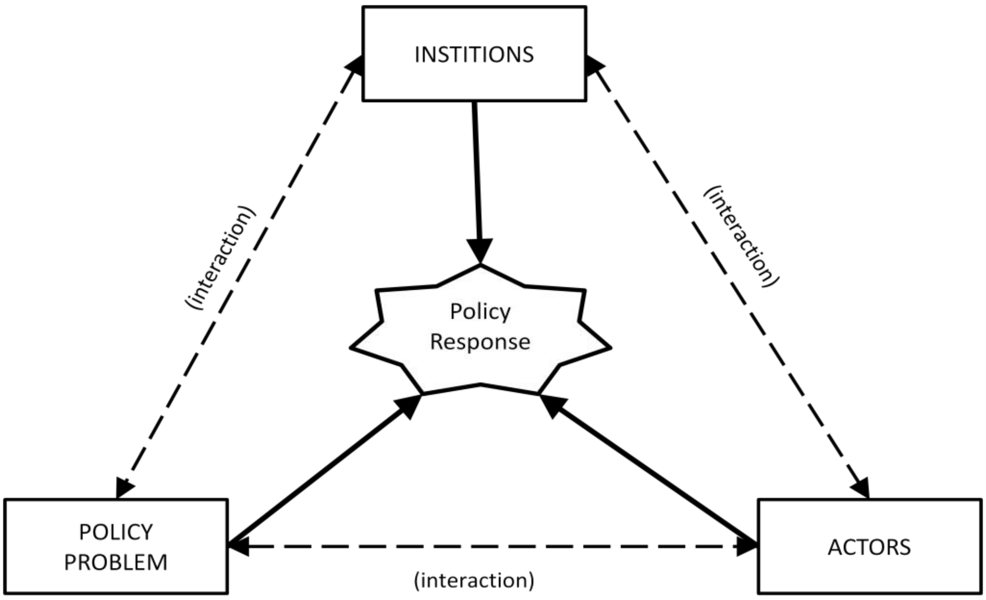
[44] Scharpf (1997) positions ACI as a 'middle way' that incorporates the best of both RCI and SI.

from Terry Moe's particular institutional approach. The most significant distinction is related to actors' preferences, which is outlined in Section 3.3.3a.

3.3 Conceptual Framework: Actor-Centred Institutionalism

Within actor-centred institutionalism (Scharpf, 1997, 2000), a given policy response is shaped by three factors: the nature of the policy problem, the relevant institutional features, and the actors' orientations (see Figure 3-2).

FIGURE 3.1: Actor-Centred Institutionalism



Each factor—institutions, actors, and policy problem—is independently complex and all factors interact in innumerable ways. Why do many well-designed policy proposals never get a chance to become effective in some countries? The answer is not one factor, but many. None of the factors *alone* appear to provide an adequate account of diverse policy responses to similar policy problems. Instead, according to ACI, a given policy response is the result of "strategic action among several or many policy actors, each with its own individual and institutional self-interest and its own normative preferences, and each with its own capabilities or action resources that may be employed to affect the outcome" (Scharpf, 1997, p. 11). Though "actors and their interacting choices, rather than institutions, are assumed to be the proximate causes of policy responses" (Scharpf, 2000, p. 764), a change in any factor could impact the outcome.

3.3.1 Policy-Problem

ACI posits that outcomes are the product of three interacting factors, one of which is the 'policy problem'. The significance of this factor can be considered in two ways: first, in terms of the relationship between the policy problem and the outcome; and second, in terms of its relationship to the other two factors of interest—institutions and actors.

3.3.1a Policy Problem-Outcome Link: In Search of the 'Right' Solution?

In terms of the relationship between the policy problem and policy outcome, a distinction between what Scharpf (1997) labels "problem-oriented" versus "interaction-oriented" (p. 7-10) policy research must be drawn. Problem-oriented policy research is interested in the nature and causes of problems that policy could or should solve and the effectiveness—either potential or empirical—of various solutions (Scharpf, 1997). Interaction-oriented research, on the other hand, is concerned with the conditions that enable or constrain the adoption or implementation of policy responses that problem-oriented analyses have identified as potentially effective (Scharpf, 1997, 2000).

While the former asks questions about 'the what'—understanding the problem and evaluating potential responses or solutions; the latter explores 'the how'—the political process through which proposed solutions are adopted and implemented. Why are solutions to public problems successfully implemented in some countries but not others? Why can a set of actors, in the face of a common policy problem, block—or alternatively, successfully agitate for—a particular reform in one country but not the next?

This research adopts a consequential interaction-oriented perspective[45] investigating how institutions and actors shape the process through which policy 'solutions'—in this case, PRP for teachers—are successfully adopted and implemented. The distinction between interaction-oriented and problem-oriented research is significant. Within the education literature—where 'problem-oriented' research on the impact of tenure, transfer and dismissal,

[45] This perspective focuses on the process through which policy solutions are successfully adopted or implemented (Scharpf, 1997, 2000).

and teacher compensation policies is conducted—ongoing debate and exploration continue. (Adams, Heywood, & Rothstein, 2009). The evidence on PRP is inconclusive. However, because this dissertation focuses on questions that are interaction-oriented and consequential in nature, boundaries must be drawn around problem-oriented debates. Ultimately, determining the key policy problem and identifying the optimal solution to it is within the domain of problem-oriented research.

Despite the ongoing debate about the effectiveness of various education reforms, including PRP, in order to test and refine existing theoretical claims about teachers' unions and their role in the reform process, this research accepts Moe's policy solutions—that differentiating teachers' salaries and linking their pay to their performance is a better compensation strategy than lock-step salary schedules. Even if the critics of PRP are right, adopting Moe's assumptions is defensible for several reasons. First, though one *could* criticise Moe's argument on the grounds that he is wrong about education policy and the reforms he promotes, that would be a problem-oriented objection. Adopting a problem-oriented perspective would lead the research away from questions about teachers' unions and their preferences, strategies, and impact on education policy. It should be noted that, borrowing a term effectively employed elsewhere, this is a "narrow look" (Immergut, 1992, p. 67) at education policy and politics. 'Narrow' is employed because, rather than taking a comprehensive view of education policy or an education system within a given country or set of countries, this research focuses on a specific issue—teachers' compensation, and the use of performance to inform pay levels[46].

Second, empirically, liberal democracies increasingly display trends towards differentiating compensation for public sector employees including teachers, as part of broader NPM reforms (See Section 2.3.2). Even if these policies are not actually preferable to other

[46] This 'narrow' view doesn't mean that context will be ignored. Chapter 2 emphasised the importance of attending to the broader reform dynamics which animate PRP reforms and there will be careful methodological attention to institutional and historical context as outlined in Chapter 4.

compensation strategies—from a problem-oriented perspective—they *are* being promoted and pursued by governments in many nations. Therefore, this research does not need to make normative claims about whether these reforms are optimal policy-solutions. Instead, it simply acknowledges that PRP has been identified as a solution in many countries and explores the different reform outcomes, and the role of teachers' unions in these outcomes. The outlined approach mirrors Immergut's (1992) investigation of countries' efforts to implement national health insurance. Rather than take a position on whether comprehensive national insurance was the 'right' solution, Immergut simply acknowledged that France, Switzerland, and Sweden had all proposed the same health programmes with different outcomes. The variation in outcomes—not the evidence behind these reforms—was the focus of the research.

Finally, any problem-oriented challenges are minimised because cases are selected on the dependent variable (PRP). Growing consensus towards a particular reform certainly does not indicate uniformity of opinion across countries. So, even though many countries appear to be interested in PRP in the public sector, some may be entirely disinterested in doing so on problem-oriented grounds. Any research design that assumed consensus would be inherently problematic. But selecting on the dependent variable avoids these problems.

3.3.1b Brief Problem-Oriented PRP Review

With this in mind, though problem-oriented analysis is not the central aim of this research, there are several important reasons to survey the evidence in the existing research. First, PRP must be clearly defined. Though a variety of compensation strategies fall under the umbrella of 'differentiated compensation' and several may be labelled PRP, in this dissertation, PRP refers to approaches that link teachers' compensation—either in terms of teachers' base pay or through one-off bonuses—to performance-related outputs[47] (See Appendix VII for a differentiated compensation taxonomy).

[47] Proposals to pay teachers on the basis of knowledge and skills or for additional work/responsibilities that do *not* include any link to outputs, will be referred to under the more general label of differentiated compensation.

Second, what problem(s) does differentiating teacher pay purport to solve? And, what theoretical and empirical evidence speaks to the effectiveness or limitations of PRP for solving these problems? Answering these questions is important for two reasons. Answers to these questions will provide analytic clarity to a broad concept with multiple policy implications and manifestations. Equally important, these answers will illuminate the evidence that may inform policy-making. Though an empirical examination of the effectiveness of PRP is beyond the scope of this research, the perceptions of PRP of key actors and their resulting preferences are essential to understanding their preferences, strategies, and tactics. Familiarity with the PRP research will help to contextualise these perceptions and preferences.

At the most general level, PRP is proposed as a solution for two problems. First, the public sector—including education—needs to be able to attract and retain the highest-quality workforce in the most cost-effective way. Public-private wage gaps, anticipated teacher shortages, and retention challenges are all variants of this problem. Hypothetically, significant across-the-board raises could address this problem, but PRP is often proposed as a more targeted and cost-effective solution. Second, PRP is thought to provide a targeted incentive which encourages better workforce performance. This effect could occur in two ways: either through working as a 'sorting device' which attracts and retains the best teachers (Dohmen & Falk, 2010; Hoxby & Leigh, 2004; Lazear, 2000, 2003; Podgursky & Springer, 2007; Woessman, 2010) or by motivating teachers to work harder or more effectively (Lazear, 2000; Woessman, 2010). Proponents of PRP point to its use in non-sectarian private schools and charter schools to demonstrate that it is possible in education, but is blocked in public education by teachers' unions (Ballou, 2001; Podgursky, 2007; West & Mykerezi, 2011).

Though PRP in education is often presented as extending widespread best practices from the private to public sector, Adams and Heywood (2009) argue that the pervasiveness of PRP in the private sector is overstated. Furthermore, critics argue that PRP is inappropriate in education for a variety of reasons: the difficulty of measuring outputs in education, the potential for incentives to distort 'multi-tasking', and the potentially corrosive effects of introducing competition and undermining collaboration (Dixit, 2002; Hannaway, 1992; Murnane & Cohen, 1986; Prendergast, 1999; Rothstein, 2009). Furthermore, in the private sector, PRP systems have been criticised for being time consuming to administer and for creating dissatisfaction (Pfeffer 1998).

Empirically, the evidence on PRP in education is mixed. Experimental studies of incentives have found positive effects on measured outcomes in India (Muralidharan & Sundararman, 2006) and Israel (Lavy, 2007), with mixed effects in Kenya (Glewwe, Ilias, & Kremer, 2010). Similarly, an evaluation of a PRP scheme in Little Rock, Arkansas found a positive effect on student achievement (Winters, Greene, Ritter, & Marsh, 2008). In the case of mixed or negative findings proponents of PRP emphasise the importance of *well-designed* incentives. Even advocates call PRP promising but unclear and emphasise the need for further research on the role of measurement, the size of the bonus, and the locus of decision-making (Lazear, 2003; Woessman, 2010).

PRP conclusions remain tentative. It *may* motivate teachers, but questions remain as to whether they will be motivated in ways that are ultimately productive. Will incentivizing outputs lead to multi-tasking or other moral hazards? Is linking pay to quantitative indicators problematic? Are those indicators valid? Are they subject to inflation that would render them useless in measuring educational outputs? Will extrinsic motivators undermine intrinsic motivations, eroding professionalism and the service-ethos of teaching? Even if all these questions can be favourably resolved, the degree of motivation will depend on the specific way that incentives are designed; even proponents acknowledge that further research is required and that effective design will require significant experimentation (Podgursky & Springer, 2007).

3.3.1c ACI Policy-Problem Implications

The nature of and evidence about the policy problem is fundamentally interlinked with actors' perceptions and preferences. In terms of the link between the policy-problem and institutions, the nature and type of the policy problem determine which institutions and actors are relevant. Questions relating to health policy involve a different set of actors constrained by a particular set of institutions (see Section 3.3.3 for more on institutions) than those that deal with education policy, for example. Furthermore, different policy problems within a given domain may vary institutionally. In education, for example, different policy problems are addressed at different levels of government in a federalist system, linking them to different sets of institutions and actors.

Therefore, the policy problem focuses the attention on relevant institutions and actors. Rather than having to account for every institution within a given polity, the emphasis will be on the institutions that are relevant to PRP in that particular case. Methodologically, this will have important implications for the relevant unit of analysis—national, regional, or local—as well as the salient institutions within that unit.

To summarise the policy-problem discussion, the mixed evidence regarding PRP is relevant because it informs the policy outcome directly and indirectly. Directly, despite ongoing debates about the usefulness of PRP and the specifics of its design, there is widespread interest in public sector compensation reforms, including in education. Therefore, a consequential interaction-oriented provides a perspective that explores why these 'solutions' have been adopted in some contexts and not others. Knowledge of the problem-oriented perspective will usefully inform the inquiry as the specific design of PRP may contribute to its eventual adoption, informing the interests and strategies that actors take into the interactions that determine whether PRP is adopted. Furthermore, the particular policy-problem will define the relevant institutions—focusing and bounding each case (Miles & Huberman, 1984).

3.3.2 Institutions

Institutional arrangements, the second factor in ACI, significantly impact policy-making, constraining the permissible policy options. They determine the constellation of actors involved in a given policy-making process and also shape the modes of interactions—unilateral action, negotiated agreement, majority vote, or hierarchical agreement—of those actors (Scharpf, 1997, p. 46).

One of the unifying features of new institutionalism is its "clear lack of conceptualisation of what institutions are or how they can be defined[48]" (Keman, 1997, p. 1). This research will adopt a definition of institutions that includes but extends beyond formal rules. Thus, institutions will be defined as both "rules or conventions promulgated by formal organisation" as well as "formal or informal procedures, routines, norms and conventions embedded into organisational structure" (Hall & Taylor, 1996, p. 938).

Institutions are significant in several ways. First, in terms of unions, laws that determine teachers' right to organise, including stipulations regarding collecting dues, strikes, and collective bargaining will influence the strength resources available to unions. This frames the context of union activity and basic conceptions of union power. Because they are often inherited from the private sector, the institutions that delimit teachers' organizing will be traced from the private sector in Chapters 5 and 6. Second, institutions determine which actors are included in decisions about PRP, determining what Scharpf (1997) calls the 'mode of interaction'—unilateral decision-making, negotiation, or majority vote. In Finland, the decision to implement PRP components occurs exclusively within the bargaining domain, and in Zürich, it is a political decision influenced by both formal—legislation and referendum—as well as informal—consultation—processes. The particular institutional arrangements of each case determine both who is at the table, as well as constraining or enabling their influence within that process. Finally, the 'rules of the game' may be as important as 'who gets to play'. In addition to formal rules—like the significance of the referendum in Switzerland—it is also important to attend to "informal procedures, routines, norms and conventions embedded into organisational

[48] RCI defines institutions as "sets of rules (and sanctions) that structure social interactions and whose existence and applicability are commonly known within the relevant community" (Levi, 1997, p 25), and SI identifies them as a "collection of interrelated rules and routines that define appropriate actions in terms of relations between roles and situations. The process involves determining what the situation is, what role is being fulfilled, and what the obligation of that role in that situation is" (March & Olsen, 1989, p. 160).

structure" (Hall & Taylor, 1996, p. 938) like norms related to consensus or cooperation. What is important when it comes to these institutions will be context and domain specific.

3.3.3 Actor Orientations

Though the set of relevant actors—or the actor constellation—is determined by institutional arrangements, the conception of actors' orientations is where this operationalisation of ACI deviates from some of Moe's foundational assumptions. Section 3.3.3a will outline these distinctions and then Section 3.3.3b will emphasise the particularities of ACI's conception of actors' orientations.

3.3.3a A Departure from Overly-Deterministic Assumptions

Perhaps actors are neither always nor exclusively: perfectly informed and acting on the basis of their individual or organisational self-interest. They may not be acting on the best available knowledge because of lack of access or because of idiosyncratic interpretations or ignorance; they may be motivated by preferences or interests other than exclusive short-term self-interest, including interaction orientations[49]; or their ability to act in exclusively rational and self-interested ways may be complicated by internal diversity and evaluative capacities. Brennan's (1990) critique of the predictive value of RC theory in explaining agent behaviour can be usefully applied to Moe's argument. Brennan argues that in order for rational choice assumptions to accurately predict outcomes, in addition to positing agents' rationality, the researcher would also need "knowledge of what the agent's ends or purposes *actually are*" (1990, p. 53, emphasis added). This objection is often addressed by the researcher positing or producing information about the available ends and imputing assumed 'rational' responses, or preference-orderings, to those options. However, this account overlooks the inherent complexity in actors' purposes and preferences:

> Agents' purposes are surely among the most complex and obscure aspects of the social landscape. Moreover, even apparently simple psychologically plausible purposes—the

[49] Actors' relational preferences

> desire for affection, or for prestige, or for survival, say—are hardly sufficiently concrete to permit anything except extremely rough and coarse-grained predictions… Once one allows for even minimal psychological complexity, any suggestion that specific actions can be deduced from the assumption of rationality alone seems hopelessly farfetched. The sorts of ends relevant to immediate action can be expected to vary widely across persons and to be differentially weighted across persons, times, and places. They cannot be taken as self-evident. (Brennan, 1990, p. 53)

If Brennan is correct, then RC scholars could respond in two ways. First, they can delimit rationality to profit-maximisation and wealth-maximisation as the exclusive manifestations of 'rational self-interest'—a definition that, though used, Brennan calls 'nonstandard' (1990, p. 55). The second option is to construct ex ante assumptions of actors' motivations which in turn determine and constrain the definition of rationality[50].

The predictive value of the theory will rest on correspondence between theoretical assumptions of actors' motivations and the empirical reality; RC theories will fail to predict outcomes in situations where actors' goals are broader than maximisation of economic gains (Levi & Cook, 1990). This might point to why Moe's account fails to explain crucial cases, states and districts that advance reforms in spite of teachers' unions who would be expected to block them: because his theoretical assumptions about actors' motivations, goals, and purposes are inaccurate. Defenders of rational-choice models cite these observations as irrelevant to theorizing, stating:

> Truly important and significant hypotheses will be found to have 'assumptions' that are wildly inaccurate assumptions of reality…the relevant question to ask about the 'assumptions' of a theory is not whether they are descriptively 'realistic', for they never are, but whether they are sufficiently good approximations for the purpose in hand. And

[50] This is closer to Scharpf's (1997) approach.

> this question can be answered only by seeing whether the theory works, which means whether it yields sufficiently accurate predictions. (Friedman, 1966, p. 14)

However, this response is problematic. It reflects a blatant neglect of causal mechanisms; even if a theory predicts an outcome with a high-degree of accuracy, it is not a causal explanation unless it can demonstrate that the implied causal mechanisms were operative in the particular case (George & Bennett, 2005). If actors are not *always* nor *exclusively* acting on the basis of their self-interest—especially if they are *often* not doing so—RCI would lack a micro-level consistency which requires "that individuals must have the capacity to behave as the macro-level theory states, and that they did in fact behave the way they did because of the explicit or implicit micro-level assumptions embedded in the macro-level theory" (George & Bennett, 2005, p. 142). Though including non-material factors may come at a sacrifice of theoretical parsimony, it has the advantage of more closely approximating reality (Levi, 1997, p. 25), which seems important in problem-driven research—explaining why PRP was possible in some cases but not in others.

Furthermore, by failing to sufficiently account for non-egoistic goals, interests, or purposes—like altruism or fairness—in their models, RC theorists are consistently able to predict certain types of outcomes but not others: they are able to account for why people do not vote, but not why they do; why people do not contribute, but not why they do (Levi, 1997). And perhaps these models are better able to account for why teachers do not support reform than why and when they do. Levi—arguing from within the RCI tradition—argues that "the aim must be to specify the conditions under which more instrumental motivations are triggered (versus when) more ethical considerations dominate" (Levi, 1997, p. 34). If the goal is to understand how reform could be possible—the situations in which it is likely to occur and why—then it seems appropriate to develop a particular explanation of those cases, rather than a covering law that explains why reform does not happen *most* of the time.

Scharpf finds both SI and RCI assumptions of actors' orientations too deterministic. He argues that one can neither assume "that [actors] merely follow cultural norms or institutional rules", nor that "the goals pursued and the interests defended are invariant across actors and across time" (Scharpf, 1997, p. 36). Instead, ACI carves out a middle way between RCI and SI. ACI shares RC's emphasis on 'purposive action'[51]—"actors select their best available course of action under the circumstances given their (institutionally shaped) preferences and perceptions" (Scharpf, 1997, p. 31). But ACI recognises that this 'purposive action' is based on a series of subjective phenomena—perceptions of reality, resulting valuations and interests, and "normative convictions [of what is] right, good, or appropriate" (Scharpf, 1997, p. 19). This mirrors what Immergut calls historical institutionalism's 'alternative rationalities', allowing that "Individuals and collectivities may develop interpretations of their interests and goals—worldviews—that deviate from those predicted by means-ends rationality" (1998, p. 18). ACI's approach to preferences provides an important departure from Moe's (2011) assumptions.

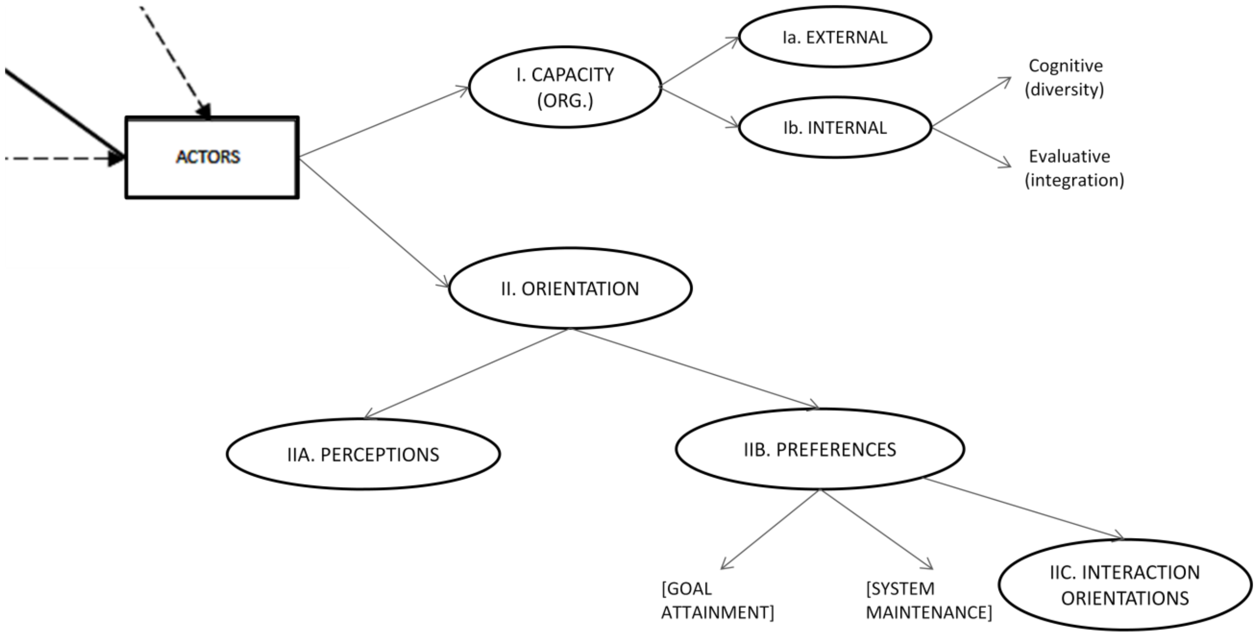
However, before elaborating this framework, one methodological distinction must be elaborated. Despite the affirmation that 'purposive action' is informed by subjective perceptions, preferences, and convictions, methodologically, Scharpf maintains a deductive, a priori, approach to actors' perceptions and preferences—only departing from these assumptions in the face of evidence of different interpretations of facts or different strategies (Scharpf, 1997). This research will adopt a more inductive approach as *a priori* constructions of teachers' unions' preferences lack theoretical foundations.

3.3.3b ACI Framework of Actors' Orientations

Though actors' intentions are allowed to vary independently of institutional structures within ACI, they are not approached as *entirely* subjective or idiosyncratic—which would make theory-based predictions and laws impossible. Instead, ACI provides a framework through which theoretical mechanisms can be introduced to explain actors' complex goals and interests.

[51] Though this emphasis is also reflected by other HI approaches which have been dubbed the 'calculus approach'. (e.g. Immergut 1992)

FIGURE 3.2: Actors' Orientations in Scharpf's ACI



Scharpf's framework (Figure 3.2) first distinguishes between actors' capacities and their orientations[52]. An actor's capacity has two facets—its external and internal capacity (Scharpf, 1997). External capacity refers to strength resources and to the way that institutional arrangements constrain and enable the conversion of those strength resources into power (Section 3.3.2). Internal capacity is particularly relevant in dealing with 'representative organisations' like unions' interests. It is a function of two things: cognitive capacity, which is the diversity of views within an organisation, and its evaluative capacity, defined as an organisations ability to overcome diverse and competing views in order to reach a unified view.

Scharpf disaggregates actors' orientations (II) into two categories—their perceptions (IIA) and preferences (IIB) regarding the policy problem. Actors' perceptions refer to known empirical facts and hypotheses, which will be shaped largely through shared knowledge or ignorance of the policy issue (Section 3.3.1a and 3.3.1b) and the way in which they deviate from the best available knowledge about a given policy problem either because of imperfect or incomplete knowledge of the available policy options or because idiosyncrasies, institutional

[52] Towards a particular policy problem

norms, or conventions cause an actor to ignore or reject components of prevailing theories or empirical facts.

The second component of an actor's orientation is its preferences. ACI does not deny actor self-interest, Moe's primary explanation of preferences. Instead, it paints a more complex picture of actor preferences—one in which individual or organisation self-interest may compete with preferences shaped by normative obligations and aspirations and by identity constructs. Scharpf conceptualises actor preferences as both concerned with 'system maintenance'—self-interest for organisational preservation, autonomy, and growth—as well as 'goal attainment'—obligations and aspirations which are shaped by organisational and societal norms as well as organisational identity (Scharpf, 1997, 2000). Identity constructs, for example 'professionalism', allow organisations to define and prioritise their complex and competing interests and norms, to "selectively emphasise certain aspects of self-interests as well as certain rules and normative purposes" (Scharpf, 1997, p. 65).

Furthermore, though actors' perceptions and preferences in terms of policy solutions are important, Scharpf argues that actors are not *exclusively* concerned with maximizing payoffs—either system maintenance or goal attainment—in terms of the policy outcome. Though these are important, actors may also have relationally-defined preferences, or 'interaction orientations' (IIC in Figure 3.2) (Walton & McKersie, 1965/1991). The nature of the ego-alter (see Table 2.2) relationship and a desire to maintain it, may produce subjective redefinitions of the preferences for various payoffs (Scharpf, 1997).

Research on teachers' unions has confirmed the significance of multiple goals: in addition to promoting members' interests in terms of wages and working conditions, unions are also concerned with status enhancement[53] as well as increasing the sphere of their influence (Loyo, 2001, as cited in Vaillant, 2005; Poole, 2000). In literature on teachers' unions, goal attainment-related preferences informed by norms and identity are often associated with

[53] Professional image

conceptions of professionalism, or what Kerchner and Mitchell (1988) call 'professional unionism'. In contrast, system maintenance preferences are usually linked with theories of unionism, or 'industrial bargaining' (Kerchner & Koppich, 1993; Kerchner & Mitchell, 1988). The complex debate about the *impact* of teachers' unions—whether they are a benevolent or malevolent force in public education—appears to be closely linked with a debate about teachers' unions' interests. ACI's conception of actors' capacities and orientations provides a framework for considering the ways in which actors' interests—and the way those interests inform their strategies, tactics, and ultimately, policy outcomes—may vary, rather than assuming they are fixed.

3.3.4 Conclusion

ACI—particularly the relatively inductive approach to teachers' unions' interests employed in this research—provides an alternative approach for dealing with subjective preferences than those provided in the RC model where individuals are self-interested, rational, and acting on perfect information in response to institutional incentives. However, one could engage an ACI analysis, in which actor preferences are allowed to vary, and find that actors' preferences and strategies *do* conform to a rational-choice model. Within ACI, economic self-interest is not ruled out as a possible explanation, it simply becomes one of several possible explanations. Thus, this conceptual framework provides opportunity for both theory-testing and theory-generation; it could confirm rational-choice assumptions but also provides a conceptual framework for structuring alternative hypotheses or explanations. Section 3.4 will outline the possible set of competing hypotheses.

3.4 Evaluating Competing Hypotheses

Crucial cases where PRP was implemented in spite of strong unions appear to provide a direct challenge to Moe's hypothesis. How can these crucial cases be explained? Four possible revisions could explain these cases related to teachers' unions' power (Section 3.4.1) and preferences (Section 3.4.3), as well as institutions (Section 3.4.2) and relationship patterns (Section 3.4.4).

3.4.1 Revision of Strength or Power

In the first revision, teachers' unions' preferences could mirror Moe's theoretical expectations—based entirely on self-interested calculations which lead them to oppose and block particular reforms—but institutional arrangements might exclude, limit, or constrain the participation of teachers' unions. This would not contradict Moe's account, but would help to specify the conditions under which the causal mechanism is actualised or overridden (George & Bennett, 2005).

In this situation, Moe's theoretical formulation of union interests is confirmed, but the scope of union power is refined. The teachers' unions wanted to block PRP, but were unable to do so because they were not powerful enough to do so. In this case, technically speaking, the argument 'powerful teachers' unions block PRP' would be confirmed, but simple conceptions of union strength and power would be complicated.

3.4.2 The Institutions Revision

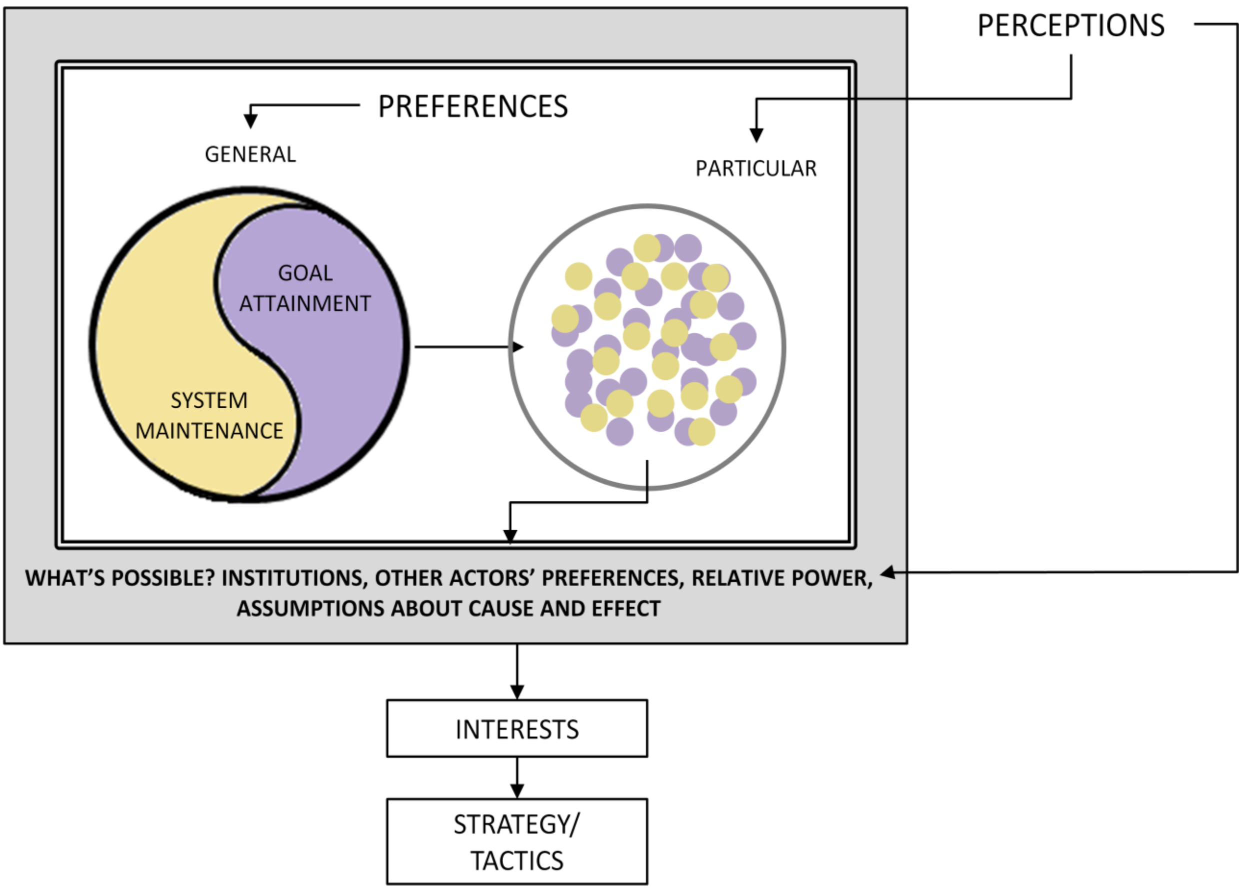
In order to develop the second hypothesis—the institutions revision—actors' preferences, interests, and strategies must be carefully defined. Though applied in a variety of ways, the term 'union preferences' must be precisely defined. In this research, 'preferences' denote an actor's goals or interests which are defined independently of other actors, threats, and incentives (Moravcsik, 1997, p. 519). Preferences can be long- or short-term; they can be general, referring to organisational aims or purposes without reference to a particular policy, or specific, in relation to a particular policy problem or outcome. 'Interests' reflect relative preferences for policy options which are "defined across intermediate political [or bargaining] aims" (Moravcsik, 1997) which are subjectively calculated based on preferences and perceptions of reality and presumed cause and effect—what is preferable and what is possible (Scharpf, 2000). These interests are then translated into strategies and tactics.

TABLE 3.3: Defining Preferences, Interests, and Strategies

	Scharpf (1997, 2000)	Kochan, McKersie, Cappelli, (1984)	Moravcsik (1997)
Fundamental Interests	Preferences	Goals	Preferences
Intermediate Aims	Intentions		Interests
Courses of Action	Strategies	Strategies	Strategies/Tactics

Thus, the key distinction between preferences and interests is not their particularity or time horizon but the fact that preferences are defined independently of other actors while interests take context into account (Figure 3.4).

FIGURE 3.4: Actors' Preferences, Interests, and Strategies



These distinctions are relevant to both the institutions revision as well as to the preferences revision (Section 3.4.3). In the first, institutional arrangements create incentives or disincentives that cause teachers' unions in particular cases to calculate their policy preferences differently. To be clear, in this revision, the unions *are* exclusively motivated by their material self-interest—i.e. Moe's assumptions about *preferences* are right—but they draw different conclusions about which policy preference is in their best *interest*, either in the short- or long-term, based on the different institutional environment. In short, their self-interest, interacting with their institutional environment, leads the union to adopt different *strategies*[54]. This conclusion would be consistent with Moe's RCI. However, it would point to previously overlooked institutional variation that significantly impacts policy outcomes.

3.4.3 The Preferences Revision

The third way that these crucial cases may be explained is through variations in teachers' unions' preferences not accounted for by RC assumptions. What if, upon closer examination of the institutional arrangements that produce education policy in each respective country, RC assumptions are inconsistent with the policy outcome? Keeping in mind the distinction outlined in the previous section between actors' preferences and their interests, what if teachers' unions *are* influential and are pursuing interests, strategies, and tactics that are inconsistent with their individualistic self-interests?

Then, Scharpf argues that "the explanation must be found in actor orientations that differ from the stylised assumptions underlying our predictions" (2000, p. 784). Specifically, attention must turn to the perceptions that deviate from the information and policy analysis generally held to be true and to the actor preferences that deviate from a priori expectations. This conclusion would demonstrate that unions' impact on policy-outcomes may vary, not due to their strength or power, but due to their preferences.

Union preferences may deviate from simple conceptions of economic self-interest in several ways. First, unions may have a long-term view of their economic self-interests which leads them to sacrifice short-term 'losses' in favour of perceived long-term gains related to

[54] Borrowing from Moravcsik's depiction of state preferences in relation to foreign policy, preferences "comprise a set of fundamental interests (which) are by definition causally independent of the strategies of other actors" (1997, p. 519). Moravcsik draws a sharp distinction between preferences and strategies and tactics, suggesting that organisational strategies and tactics can change due to "shifts in strategic circumstances" independently of any change in fundamental preferences themselves (ibid).

organisational preservation, autonomy, or growth. Second, unions may have other goal attainment preferences rooted in organisational identities and norms. 'Goal attainment' preferences could spring from a variety of sources—for example, related to professionalism (as discussed in Section 2.2.1c).

Deep and protracted debate runs through the discourse of professionalism and its impact on the goals and interests of teachers' and their unions. This dissertation will not settle the debates about professionalism—who qualifies as a professional, the professionalisation process, and the duties and rights professionals should have (see Evetts, 2003). However, every type of literature reviewed in Chapter 2 suggested that non-pecuniary interests are theoretically possible. Moe's mixed interest group theory suggested that members join a group for a variety of reasons; in addition to their self-interest, they may be motivated by loyalty, solidarity, or moral purpose. The 'two faces' theory of unionism suggests that in addition to 'dividing the spoils', unions also advocate for improved workplace practices and conditions (Freeman & Medoff, 1984). Though these may improve working conditions for workers, they may also be oriented towards more efficient and effective business practices. Finally, in corporatist theories of interest group and union incorporation, all groups are forced to work together to develop solutions that promote economic growth and stability (Compston, 2003; Katzenstein, 1985; Lehmbruch, 1977; Molina & Rhodes, 2002; Schmitter, 1982). And, when it comes to the inclusion of public sector unions and organisations, professionalism is one justification for the legitimacy of union and interest group participation in state decision-making (Williamson, 1988).

The key point is that the *preferences* of teachers' organisations—the extent to which they are economically self-interested or motivated by other normative aspirations like altruism or the desire for recognition and respect—are independent of their institutional form or context. Often, interests and functions are conflated: in contrast to non-bargaining professional associations, unions are organisations who bargain, which is—by definition—exclusively concerned with the distribution of zero-sum economic benefits. These are false distinctions. Assuming that bargaining is either inherently zero-sum or exclusively concerned with economic questions is not justified (Fisher & Ury, 1981; Gunderson, 2005; Walton & McKersie, 1965/1991). Furthermore, the preferences of teachers' organisations—the degree to which they are selfish or altruistic, among a host of other motivational factors—is not inherently liked to, nor can they be imputed from, their institutional function as a bargaining or non-bargaining organisation.

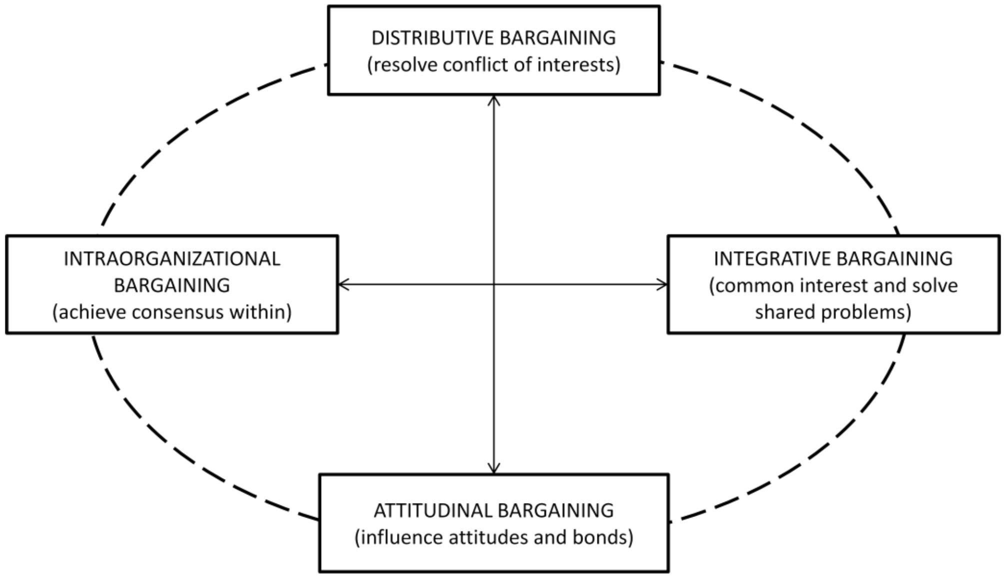
This dissertation does not take an a priori view of teachers' unions' preferences. As outlined in Section 3.5.1 and 3.5.2, unions may be entirely and exclusively self-interested. However, they may be driven by a number of other motivations and goals. These goals may be linked to professionalism or to some other, unanticipated, source. Attention must be paid to what unions' preferences actually are. One criticism of RCI has been that it is "theory-driven rather than problem driven" and aimed at saving or vindicating "some variant of rational choice theory, rather than accounting for…political phenomena" (Green & Shapiro, 1994, p. 6). As a result, most RCI research is deductive (George & Bennett, 2005). In contrast, this research—particularly in terms of conceptualizing actors' preferences—takes a middle way between deductive and inductive approaches—using existing theories and hypotheses to structure the inquiry while remaining open to other explanations (Layder, 1998). This will be discussed further in Chapter 4 (Section 4.2). Perhaps strong unions do not block or oppose reform in these crucial cases because of goal attainment preferences that outweigh system maintenance preferences.

3.4.4 The Interaction Orientation Revision

Finally, teachers' unions might be *able* to block the policy and hypothetically *prefer* to do so, in terms of their policy-outcome preferences, but they may *choose not to*. This may sound like a semantic derivative of the previous hypothesis, but it is distinct.

The major reason why a union may not choose to act in accordance with its interests within the ACI framework—whether motivated by self-interest or professional or pedagogical aims—when it is powerful enough to impact the outcome may be explained by its relational preferences or 'interaction orientations'. In their seminal text, *A Behavioral Theory of Labor Negotiation* (1965/1991), Walton and McKersie conceptualise bargaining as four simultaneous, iterative, and mutually reinforcing processes: distributive bargaining, integrative bargaining, attitudinal bargaining, and intraorganisational bargaining (see Figure 3.5)[55].

FIGURE 3.5: Walton & McKersie's Behavioral Theory of Labor Negotiations



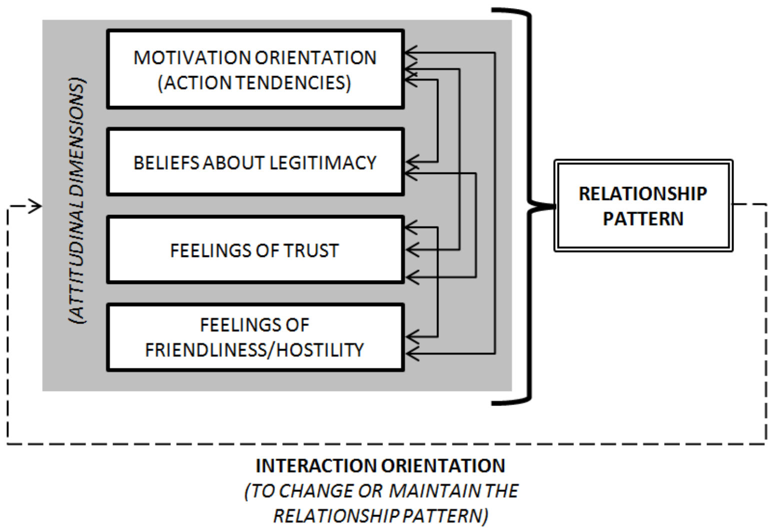
Though originally conceptualised and presented as a framework for collective bargaining Walton and McKersie's framework has subsequently been applied to a wide variety of fields (1991). In this dissertation, Walton and McKersie's framework is applied to the education policy-making process. Specifically, their conception of attitudinal bargaining provides theoretical mechanisms, illuminating the possible impact of what Scharpf calls 'interaction orientations' and how those interactions shape actor behaviour. Because the interaction arena is institutionally defined and case specific (as outlined in Section 3.3.2), these

[55] Distributive and integrative bargaining were discussed in Section 2.2.1b. What Walton and McKersie label 'intraorganisational bargaining' mirrors Scharpf's 'internal capacities'—cognitive and evaluative.

'behaviours' may refer to traditional bargaining strategies and interactions[56] or they may involve informal negotiations or interactions.

'Attitudinal bargaining' refers to two interrelated phenomenon—actors' relationship pattern and their interaction orientation (Figure 3.6). The relationship pattern—"a set of reciprocal attitudes salient to the parties in their interaction" (Walton & McKersie, 1965/1991, p. 185)—is the aggregate picture of the four attitude dimensions: motivation orientations, beliefs about legitimacy, feelings of trust, and feelings of friendliness or hostility. The relationship pattern is a snapshot of the relational modus operandi. An actors' interaction orientation is related to, but distinct from, the relationship pattern: it refers to an actors' desire to maintain or change the relationship pattern—the relative cooperation or conflict—in the future.

FIGURE 3.6: Relationship Patterns and Interaction Orientations



Walton and McKersie identify five relationship patterns based on four dimensions (Table 3.7). The first dimension includes motivational orientation and action tendencies—competitive tendencies to destroy or weaken the other actor(s), cooperative tendencies to assist or preserve the other actor(s), or individualistic tendencies to pursue self-interest without

56 i.e. collective bargaining at the national, regional, or local level

motivation to help or hinder the other (1965/1991, p. 185). The second dimension is an actor's beliefs about the other's legitimacy. The third and fourth dimensions include an actor's feelings of trust and friendliness or hostility towards the other. These four dimensions can be used to infer an actor's relationship pattern: conflict, containment-aggression, accommodation, cooperation, or collusion.

TABLE 3.7: Attitudinal Components of the Relationship Pattern (From Walton & McKersie, 1965/1991)

Pattern of relationship

Attitudinal dimensions

	Conflict	*Containment-Aggression*	*Accommodation*	*Cooperation*	*Collusion*
Motivational orientation and action tendencies toward other	Competitive tendencies to destroy or weaken		Individualistic policy of hands off	Cooperative tendencies to assist or preserve	
Beliefs about legitimacy of other	Denial of legitimacy	Grudging acknowledgme nt	Acceptance of status quo	Complete legitimacy	Not applicable
Level of trust in conducting affairs	Extreme distrust	Distrust	Limited trust	Extended trust	Trust based on mutual blackmail potential
Degree of friendliness	Hate	Antagonism	Neutralism-Courteousness	Friendliness	Intimacy—"Sweetheart relationship"

Regardless of the current state of the relationship pattern, interaction orientations refer to actors' relational aspirations—to increase, maintain, or decrease the relative level of conflict or cooperation in the relationship. Two questions help build a better understanding of interaction orientations. First, what factors seem to influence or determine an actor's interaction orientation? And second, what might cause actors to value one form of interaction over another? What would cause an actor to want to move from a relatively hostile relationship to a relatively cooperative one and vice-versa? Answering the first question is important methodologically because it identifies the discrete factors that might suggest an actor's interaction orientation. Walton and McKersie suggest that interaction orientations are likely informed by several factors: the context of interaction, i.e. institutions; the personality dispositions of key individuals; the social beliefs systems of individuals and their respective organisations; and the history of bargaining experiences.

In terms of the second question, organisational interaction orientations may be motivated by these factors (Walton & McKersie, 1965/1991). First, they may be valued in their own right either as a result of personal preferences or ideological convictions. Second, certain orientations may be preferred as a means to more effective implementation. Specifically the nature of the relationship may determine how subsequent problems are handled—either through power, legal mechanisms, or informal social relations. And thirdly, the nature of interactions may have a long-term impact on the possibilities for and outcomes of future negotiations and decisions. However, the *cause* of various interaction orientations is tangential to the aims of this dissertation. Of central importance to this research is the idea that relationship patterns and interaction orientations—goals to maintain or change the relationship pattern—could vary and that they may have important impacts on the policy process and outcomes. Thus actors' interaction orientations could have a significant impact on the process through which teachers' strength is translated into power.

The impact of relationship patterns and interaction orientations—preferences to maintain certain relational arrangements, particularly to preserve a cooperative relationship—may lead unions who are *able* (strong enough) to block a policy and *interested* (either based on self-interest or other goals) in doing so to make compromises or concessions, which may provide a fourth hypothesis that can account for these crucial cases.

3.5 Conclusion

Moe's account of teachers' unions is built on a narrow conception of actors' interests. Even if outcomes appear to conform to RCI's predicted outcomes, it seems unlikely that it can describe reality at a micro-level—that actors act consistently, or are capable of acting in the way it suggests. ACI provides a more complex account of actors' interests and goals. It does not discard or ignore RC assumptions, but combines them with other mechanisms and explanations. Thus, it provides a framework for investigation that will allow the researcher to consider a number of potential hypotheses about union interests, activity, and impact.

TABLE 3.8: Potential Causal Hypotheses

	UNION POWER	UNION POLICY INTERESTS	INTERACTION ORIENTATION	UNION STRATEGY	OUTCOME
Moe (2011)	Union is able to affect the outcome	Economic self-interest	Competitive or Individualism	Attempt to block PRP	No PRP
Strength and Power Revision	Union attempts but is unable to affect the outcome	Economic self-interest	Competitive or Individualism	Attempt to block PRP	PRP
Preferences Revisions	Union is able to affect the outcome	Economic self-interest *but* institutional arrangements impact calculation	Competitive or Individualism	No Attempt to block PRP	PRP
	Union is able to affect the outcome	Not exclusively short-term economic self-interest	Competitive, Individualism, or Altruism	No Attempt to block PRP	PRP
Interaction Orientation Revisions	Union is able to affect the outcome	Economic self-interest	Cooperative	No Attempt to block PRP	PRP

Table 3.8 provides an overview of the various hypotheses possible within the ACI framework. These are obviously ideal types, and cases may confirm or support several of these hypotheses as many explanations are not mutually exclusive. However, this chapter has demonstrated the theoretical value of the ACI as a more complete view of the possible causal mechanisms that explain union activity and impact.

The ACI framework provides the theoretical resources for bridging the gap between existing research and the research questions. It provides a blue print of the structure that can link existing research to new insights. Chapter 4 outlines the choices and strategies, derived from the blueprint, which informed the collection of building materials—the case selection, research design and execution, and analysis.

CHAPTER FOUR: Research Design, Case Selection, and Methodology

4.1 Introduction

Though Moe suggests that strong teachers' unions always block policies that they oppose (like PRP), there are a number of cases that appear to defy these theoretical expectations. When do such results occur? Why don't they always? And what role do teachers' unions play in those processes? How do these cases inform theories of teachers' unions—their preferences and impact on policy-making?

These questions were answered through a series of tests, guided by the theoretical framework. First, crucial cases—where PRP reform has been implemented in spite of strong unions—were examined. The inductive investigation of these cases provided the best opportunity for both testing and refining Moe's argument and for producing new theoretical insights (George & Bennett, 2005). This first test focused on international cases for two reasons. First, there was paradigmatic value in broadening the view beyond U.S. borders (Collier, 1993; Immergut, 1992; Kocka, 2003). Furthermore, selecting crucial cases internationally was more straightforward (as explained in Section 4.4.1). In the second phase, the revisions and new theoretical insights—the revised typological theory (George & Bennett, 2005) from the international cases (Chapters 5-7)—were tested within the U.S. context in a study of six school districts' experiences with PRP reform.

Section 4.2 and 4.3 outlines the general research approach, including the case study approach (Stake, 2005; Meyer, 2001; Gerring, 2004). Though the majority of this chapter is relevant to both phases of the research, the methodological choices outlined in Chapter 4.4 and 4.5—case selection, data collection, and analysis—are particularly focused on the international case studies[57].

4.2 Theory-testing vs. Theory-generating

Most research is divided between that which is theory-testing and that which is theory-generating (Glaser & Strauss, 1967; Johannson, 2003; Yin, 1989). The former carries diverse labels,

[57] The specific methodological choices employed in the U.S. cases will be outlined in Chapter 8.

including hypothetico-deductive, analytic induction (Bryman & Burgess, 1994), and middle-range theory (Merton, 1967). Regardless of its label, theory-testing approaches are unified by a deductive approach in which theoretical hypotheses are formulated in advance of research in order to guide research and give shape to any subsequent theorizing after data has been gathered (Layder, 1998).

Though these deductive models are useful for theory-testing, they have been criticised for theory generation (Layder, 1998). Creating new theoretical models is typically assigned to the inductive approaches like grounded theory (Glaser & Strauss, 1967) in which researchers approach data collection with a 'clean slate' and allow theory to emerge from data. Inductive (theory-generating) and deductive (theory-testing) approaches are often discussed as mutually exclusive research approaches (Glaser & Strauss, 1967; Johannson, 2003; Yin, 1989).

However, Derek Layder's (1998) adaptive theory provides a middle way that incorporates both inductive theory-generating and deductive theory-testing. In contrast to both grounded theory, which does not acknowledge existing theoretical resources in its preliminary stages, and hypothetico-deductive approaches, which primarily engage theory at the beginning of the research project, adaptive theory emphasises the importance of theory throughout the research process (Layder, 1998). By definition, adaptive theory attempts to remain sensitive to both empirical data as well as elements of relevant existing theory. It aims to allow relevant theories—through what Layder (1998) calls "orienting concepts" (p. 101)— to provide a temporary ordering of a phenomenon that may later be revised. Rather than mutually exclusive, single-directional flow, research approaches can utilise both inductive and deductive logic in a mutual interplay; the exact role of induction and deduction is determined by the circumstances of the research project (Layder, 1998). The research methodology (Section 4.5) for this study reflects this inductive-deductive interplay in which theorizing occurs throughout the research process. Orienting concepts—i.e. the conceptual framework (Chapter 3)—provided structure for sampling and data collection. But instrumentation was constantly revised in light of the best available theoretical insights provided by both the original orienting concepts and new insights (Miles & Huberman, 1984).

The research objectives of this dissertation are both heuristic—aimed at identifying new variables, hypotheses, causal mechanisms, and causal paths (Kocka, 2003; Van Wynsberghe & Khan, 2007)—and theory-testing—to assess the validity and scope conditions of existing theories of teachers' unionism (Merton, 1967).

4.3 Case Study Approach

The nature of the research questions—their emphasis on the *process* through which unions influence policy—requires description of the policy-making process, as this research aims to uncover the causal mechanisms through which union preferences are converted into policy influence, or not, making case studies well-suited to this inquiry.

'Case study' has become an encompassing label, defined in wide-ranging ways. Van Wynsberghe and Khan (2007) argue that though scholars have referenced a case study approach as a method, a methodology, *and* a research design ; 'case study' is neither a method, because researchers employ various methods to uncover many different 'types' of cases; nor a research design, as case studies do not guide the research from questions to conclusions including data collection, analysis, and interpretation. Thus, a case study is not a methodological choice about *how* to do research but a choice of *what* is to be studied which is guided by a research process (Stake, 2005; Meyer, 2001; Gerring, 2004). Though uses of the term are wide-ranging, for clarity this research will adopt George and Bennett's (2005) definition of a 'case' as a class of events—"a well-defined aspect of a historical episode" (p. 18).

The emphasis on the influence process and causal mechanisms starts with description, but comparative case studies (Ragin, 2000) must extend beyond description to produce analytic explanations. They must "examine similarities and differences across many cases while preserving the integrity of cases as complex configurations" (Ragin, 2000, p. 38). A theoretical rather than chronological focus distinguishes social scientific case studies from their historical counterparts by (George & Bennett, 2005). Successful analytic explanations critically depend on the theoretical framework, which, in its organisation of key variables "must be adequate to capture and record the essentials of a causal account of the outcome in the case" (George & Bennett, 2005, p. 93). Thus, case studies in this research are guided by a diversity- or case-oriented approach (Ragin, 2000), which: has an outcome-orientation, views cases as configurations, and views causation as conjunctural and complex (Ragin, 2000).

4.4 Case Selection

George and Bennett suggest that "Case selection is arguably the most difficult step in developing a case study research design. It is an opportunistic process of seeking the intersection between the extant cases that theory provides and the kind of cases and comparisons that are likely to best test or develop theories" (2005, p. 234). Which cases are most appropriate in light of the research objectives? According to George and Bennett (2005), new or untested research programmes are more likely to benefit from plausibility probes and inductive studies of apparently deviant cases; inductive studies can identify overlooked variables, clarify interactions, and refine theories. Furthermore, crucial case analysis—those that "*must closely fit* a theory if one is to have confidence in the theory's validity, or conversely, *must not fit* equally well any rule contrary to that proposed" (Eckstein, 1975, p. 118)—is a useful theory-building approach as it may help disclose new causes and to reformulate a particular theory in a more generally valid way (Dogan & Pelassy, 1990, p. 123).

4.4.1 Crucial Cases[58]

How is a crucial case defined vis-à-vis Moe's account? Moe suggests that strong unions in the U.S. block policies that they oppose (PRP), which has led to the suboptimal organisation of schools. Therefore, crucial cases are those where PRP has been implemented in spite of strong unions.

[58] Sometimes called 'critical cases' (Flyvberg, 2006; Gerring, 2007; Miles & Huberman, 1984).

TABLE 4.1: The Universe of Cases and Their Types

(1) WEAK UNION + LOCK-STEP SALARY SCHEDULE (NO PRP)	(3) WEAK UNION + PRP
(2) STRONG UNION + LOCK-STEP SALARY SCHEDULE (NO PRP)	(4) STRONG UNION + PRP

Moe predicts that the effect of strong unions would be to block PRP (cell two, Table 4.1). By implication, the assumption is that cell four would be empty. Therefore, crucial cases are those in cell four—where PRP has been implemented in spite of strong unions.

Thus, selecting crucial cases requires selecting on the dependent variable. Though doing so can be controversial (King, Keohane, & Verba, 1994), within a case-oriented paradigm, selecting on the dependent variable is encouraged (Ragin, 1987, 2000; Robinson, 1951; Berg-Schlosser, De Meur, Rihoux, & Ragin, 2009). The disagreement about selecting on the dependent variable is linked to differing assumptions about causality—symmetric and correlational versus asymmetric and set-theoretic (Ragin, 2008).

This dissertation adopts Ragin's (1987, 2000, 2008) view that causality is best captured using set-theoretic rather than symmetric correlational arguments. Set-theoretic logic assumes two things. First, it posits that causality is complex (Ragin, 1987, 2000, 2008) or characterised by equifinality (George & Bennett, 2005): that an outcome can follow from several combinations of causal conditions or 'recipes' (Ragin, 2008). Causal complexity focuses attention on causal necessity—does the effect always include the cause?—and sufficiency—does the cause always produce the outcome?

Second, it assumes that causation is often asymmetric—that the explanation of a positive instance is not necessarily a complete explanation of *all* instances, nor that the absence of that cause can explain the absence of instances. Together, these tenets suggest that several causal pathways exist and that avoiding these pathways *may* not provide much protection against the outcome.

Based on the assumption of causal complexity, the absence of the cause (weak union) is not assumed to produce the inverse outcome (PRP) (cell three). Thus, finding cases in cells one or three would not be incompatible with Moe's account of the effect of strong unions on reform. Cases in cell four contain the cases with the greatest potential for theoretical falsification and also new theoretical insights.

In addition to holding the greatest theoretical value, these cases also hold the greatest practical value if, as George and Bennett (2005) argue, one aim of political science is to equip policy-makers with general knowledge that helps them form effective strategies. For this purpose:

> Highly general and abstract theories ('covering laws' in Carl Hempel's term), which set aside intervening processes and focus on correlations between the 'start' and 'finish' of a phenomenon are too general to make sharp theoretical predictions or to guide policy. (George & Bennett, 2005, p. 7)

If the goal is to escape what Moe calls the "politics of blocking" (p. 275), instead of covering laws, what is needed are contingent generalisations (George, 1993) which describe the conditions under which the norm—successful opposition from powerful unions—is actualised or overridden (George & Bennett, 2005; Immergut, 2005). If the goal is to understand how 'optimal' policies can be successfully implemented, then cell four cases will provide the greatest insights.

4.4.1a Challenges to Identifying Crucial Cases in the United States

Given Moe's exclusive emphasis on the politics of U.S. unions, testing his argument within the U.S. context seems logical. However, the first test used an international lens for several reasons. The decision was guided by the paradigmatic benefit of international comparison (Kocka, 2003), but also by the inherent limitations to attempting to testing Moe's argument within the U.S. Most importantly, Moe's account treats 'US teachers' unionism' as a relatively monolithic and invariant whole. Though variation of teachers' unions and their effects across states and school districts is well-documented (Bascia, 1990; Johnson & Donaldson, 2006; Johnson & Kardos, 2000; Murray, 2004; McDonnell & Pascal, 1988), there are few systematic explanations of why policy-making processes and outcomes differ across the U.S. and what role differences in unions' power or preferences play in those processes and outcomes, significantly complicating the selection of crucial cases within the U.S.

Crucial cases have two features: First, they are cases where PRP has been implemented, and second, they are cases with 'strong unions'. Prior to Race to the Top in 2010 (U.S. Department of Education, 2010a), PRP was rare across the United States, a phenomenon that Moe attributed to strong unions. However, a variety of cases *within* the United States defy Moe's predictions—that strong unions will use their influence to block policies (PRP) that they oppose. Even Moe identifies three states—Texas, Florida, and Minnesota—that implemented 'innovative' programmes that provided money to districts who designed PRP plans which linked student test score gains to teachers' pay (Moe, 2011, p. 312). Though the majority of school districts opted out of these programmes, a few districts in each state chose to participate (Chapter 8).

These cases, both the states that passed the legislation and the districts that participated in the state programmes in spite of union opposition, meet the first criteria of crucial cases. However, in order to challenge existing theoretical expectations, that strong unions block unpopular reforms, they must be cases where reforms have been implemented *in spite of strong unions.*

As addressed in Chapter 2, U.S. teachers' unions are widely considered to be powerful; they have considerable resources at their disposal and benefit from a number of institutional advantages. Compared to the labour movement as a whole—the Bureau of Labour Statistics reported that in 2011, 6.6% of the U.S. workforce was unionised (Bureau of Labour Statistics, 2013)—teachers are considerably better organised. In 2010, the combined membership of the two main teachers' unions in the United States—the National Education Association (NEA) and the

American Federation of Teachers (AFT)—was 4.6 million teachers, which makes up 25% of *all* U.S. union members (Brill, 2010).

U.S. teachers' unions also have considerable advantages in terms of their opportunity to influence policy—their money, manpower, legions of activists, and superb organisation (Moe, 2011). Unlike their private sector counterparts, teachers' unions can influence outcomes of interest through both collective bargaining and politics. And politically, they have considerable advantages as they are unrivalled in the education sector and are often targeting small, low-turnout school district elections (Berkman & Plutzer, 2005; Heidenheimer, 1973; Moe, 2011).

However, Moe's account of teachers' unionism functions as a kind of covering law for the impact of teachers' unions on policy-making across the United States, without attention to the particular causal mechanisms through which that influence occurs or does not occur. In addition to failing to account for the variability of teachers' unions' preferences, the theory also fails to account for the variability of unions' strength resources. In spite of the general consensus that U.S. teachers' unions are 'strong', they are not uniformly powerful everywhere, on every issue, all the time.

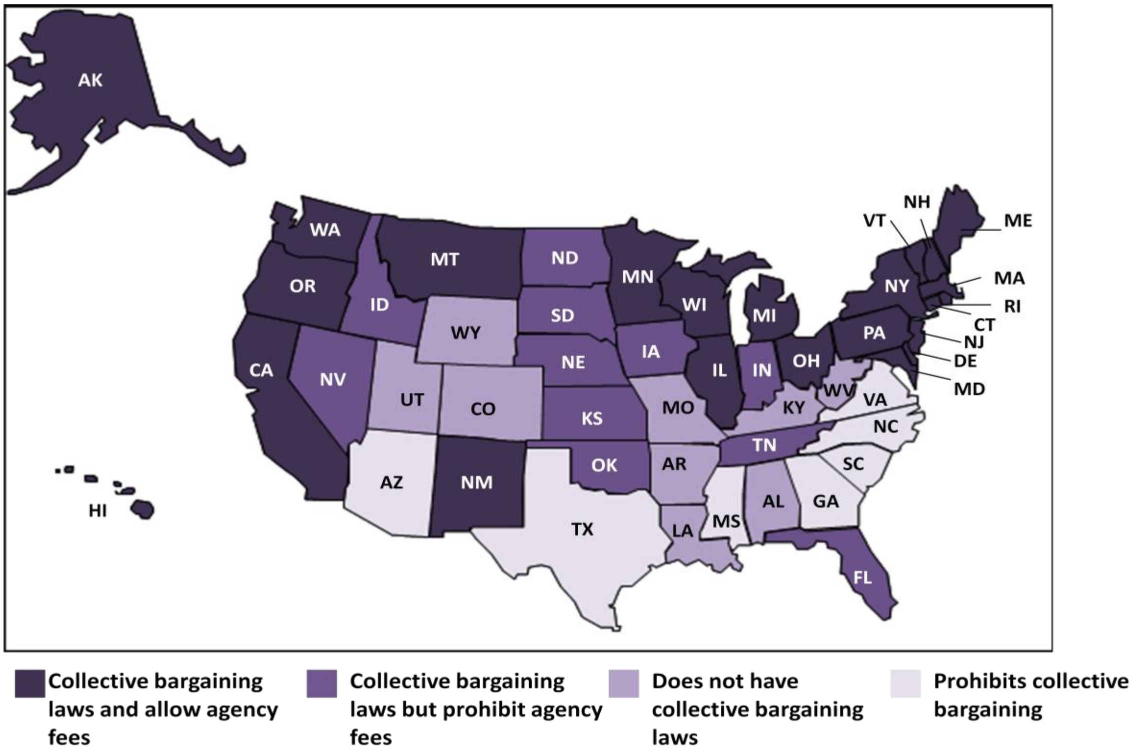
Due to the complex institutional landscape of federal power in which education policy-making occurs in the United States, talking about teachers' union power at the national level in the United States may obscure more than it reveals, ignoring the important ways that union resources and their channels for influence vary across the country. Given the significant decentralisation of power to states and school districts, the national polity may not be the most important arena of teachers' unions' power. Instead, union influence is often leveraged at the state and local level where the landscape is far from uniform. Union organisation varies significantly from state to state and district to district due to different institutional arrangements and constraints on union organisation.

Until Kennedy passed executive order 10988 in 1962 (Kearney, 2010), giving federal government employees the right to collective bargaining, unionism had been deemed inappropriate in the public sector. But Kennedy's decision was a watershed moment that initiated a series of legal changes that—combined with teacher strikes in New York City in the 1960s which demonstrated the potential for union action in education—ushered in teachers' unionism (Kahlenberg, 2006). Securing the right to collectively bargain—and also gaining legal protections for union and agency shops—helped to ensure the establishment and continued success of teachers' unions. Collective bargaining provided an avenue for teachers' unions to secure benefits for members of their locals—the bedrock of union organisation (Moe, 2011). Their membership bases, and the dues collected from them, fuel union political activity at the district, state, and federal levels. Therefore, Moe sketches union power as a function of their membership size, which is a powerful voting bloc as well as resource for political activism, and their financial resources.

However, though executive order 10988 made collective bargaining legal in the public sector, the laws varied from state to state. Collective bargaining laws—including what is negotiable—and the legal status of agency fees[59] are state-level institutions significant in explaining both sources of union power—membership levels and financial resources—and opportunities for its exercise (see Figure 4.2). These laws produce significant differences in terms of unions' capacity and strength resources.

[59] Mandatory fees collected from non-union members to cover the cost of collective bargaining.

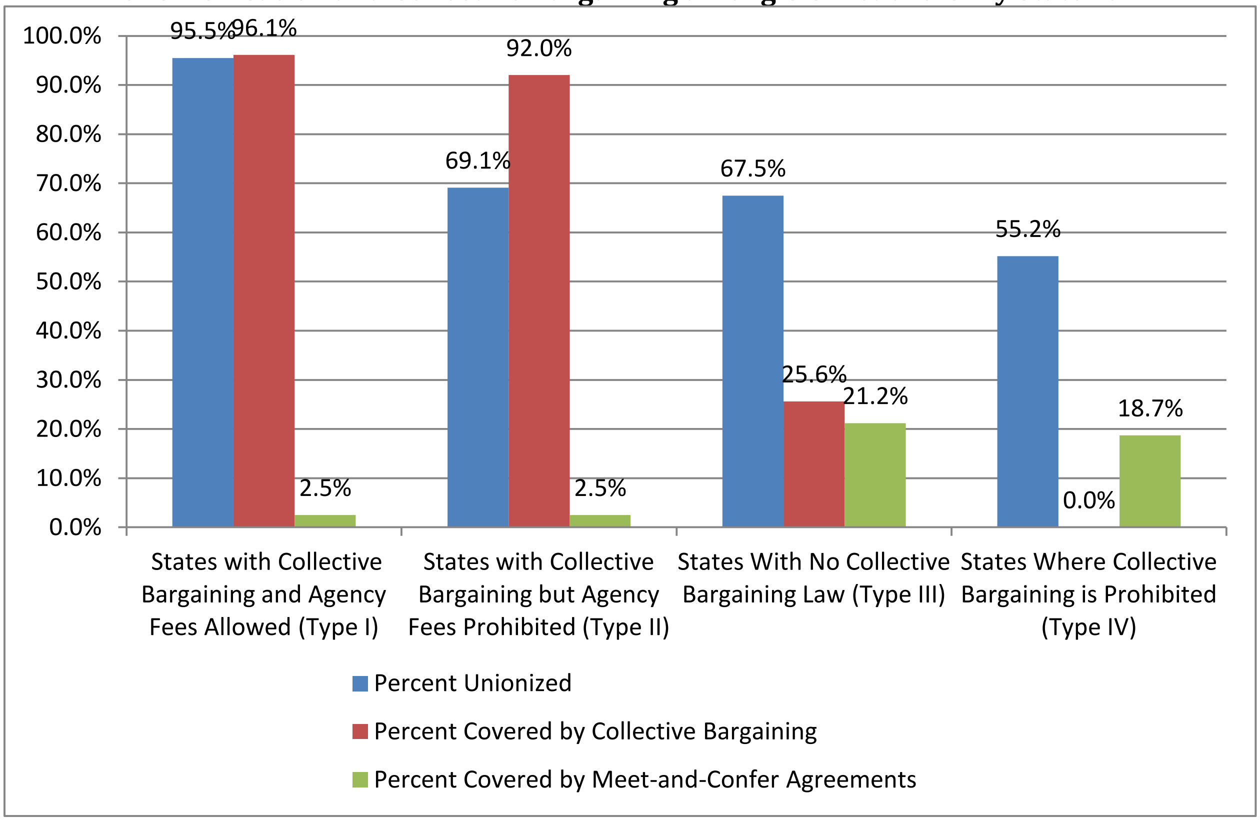
FIGURE 4.2: Teacher Collective Bargaining Laws, By State 2010[60]



Given the central importance of collective bargaining to union influence, one would expect differences in collective bargaining laws to be correlated with meaningful variation in union membership levels and financial resources across states. Table 4.3 suggests that these laws do have a meaningful impact on union membership levels. Collective bargaining coverage is three times higher in states where collective bargaining is legally required (Type 1) than those where bargaining is optional (Type 3).

[60] National Right to Work Foundation, 2010, as cited in Moe 2011, p. 58

TABLE 4.3: Unionisation and Collective Bargaining among U.S. Teachers: By State Law



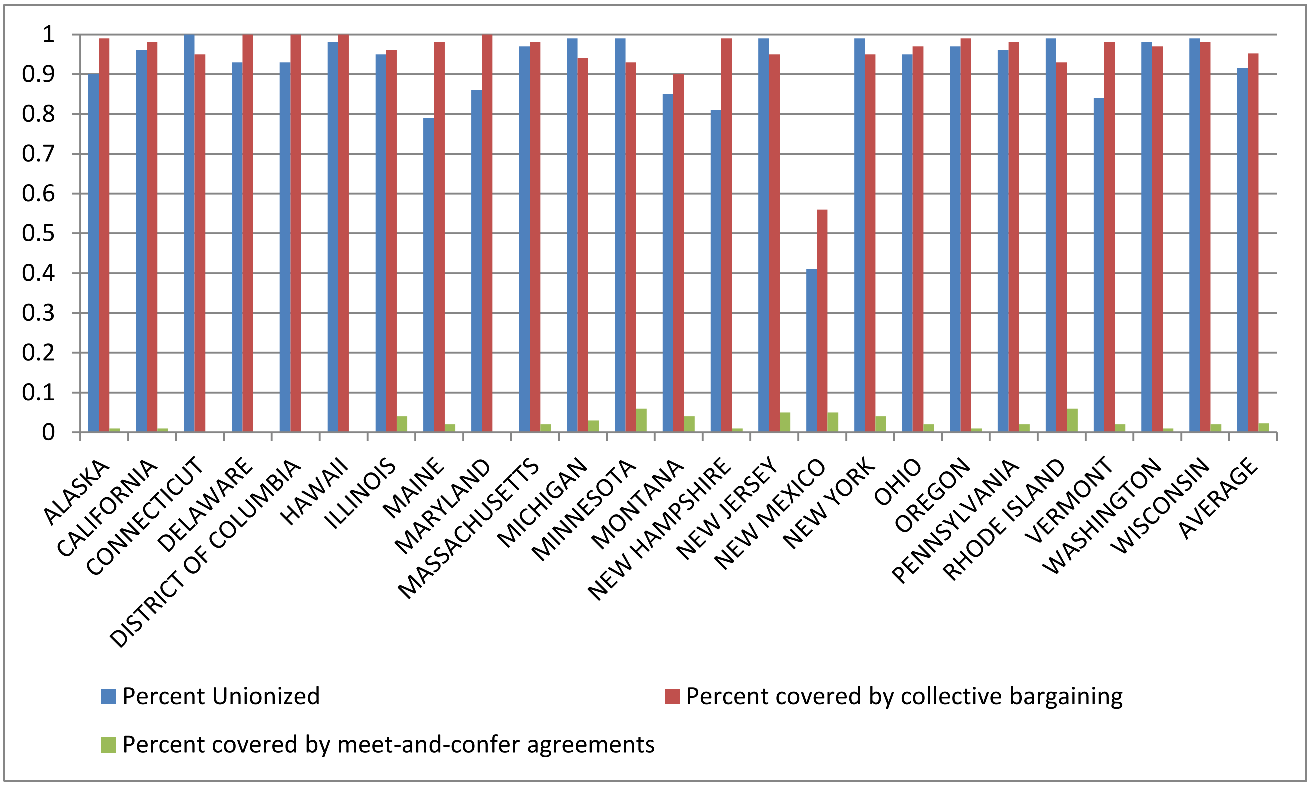
Source: Author's own calculation[61] using data from Moe (2011, p. 54-55).

Though the relationship between membership levels and political activism and voter impact is difficult to specify, it is reasonable to assume that unions in states with lower membership levels would have fewer of these critical resources.

The marked differences in membership and coverage levels and financial resources across types of states suggests that the 'American system' of education policy, and the role of teachers' unions in that system, may be quite varied. But in addition to variation between state-types, meaningful differences *within* state-types[62] must be acknowledged. Table 4.4, 4.5, 4.6, and 4.7 show state-level unionisation and coverage rates, displayed according to state collective bargaining laws.

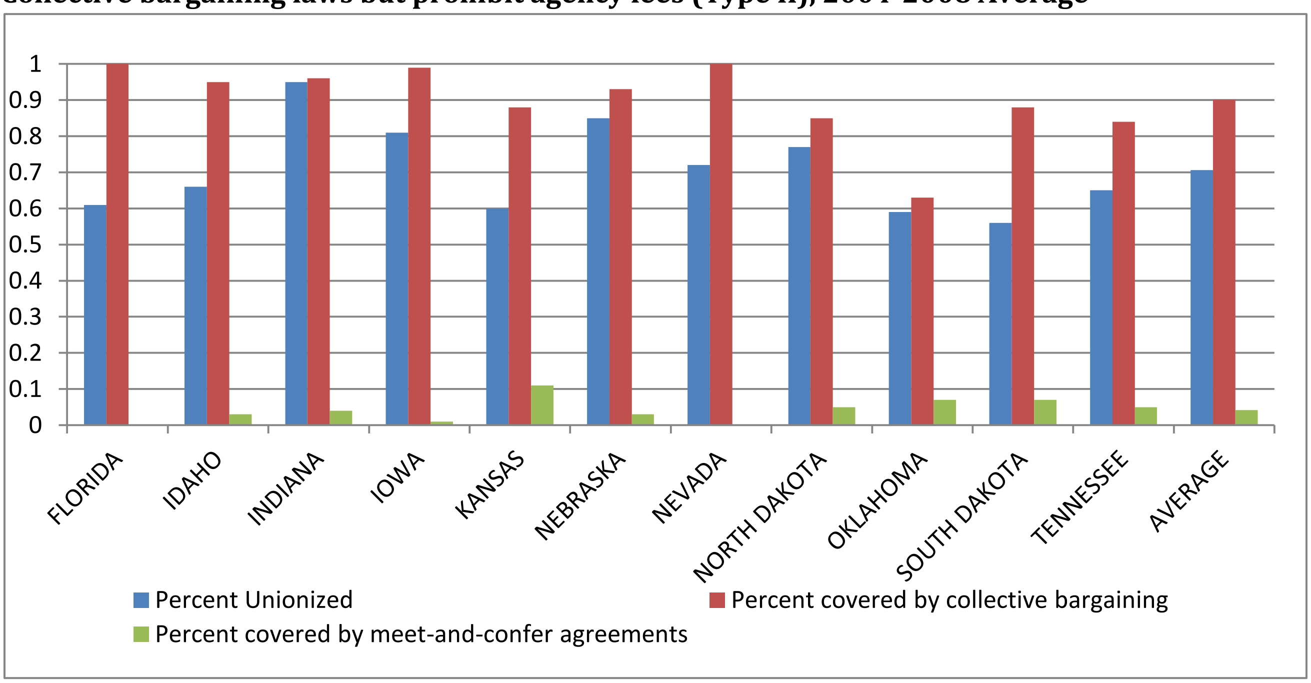
[61] Percentages reflect weighted averages across states.
[62] As defined by collective bargaining laws.

TABLE 4.4: Unionisation and Collective Bargaining among U.S. Teachers: States with Collective bargaining laws and allowing agency fees (Type I), 2004-2008 Average



Source: Data from Moe (2011, p. 54-55)

TABLE 4.5: Unionisation and Collective Bargaining among U.S. Teachers: States with Collective bargaining laws but prohibit agency fees (Type II), 2004-2008 Average



Source: Data from Moe (2011, p. 54-55)

TABLE 4.6: Unionisation and Collective Bargaining among U.S. Teachers: States that do not have collective bargaining laws (Type III), 2004-2008 Average

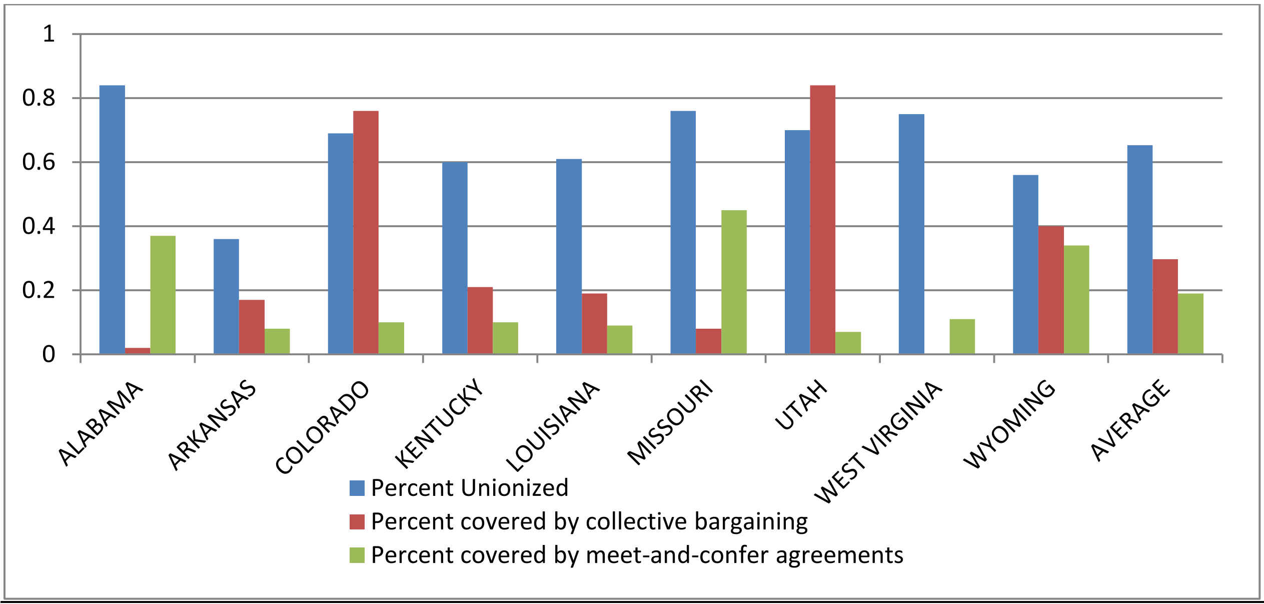
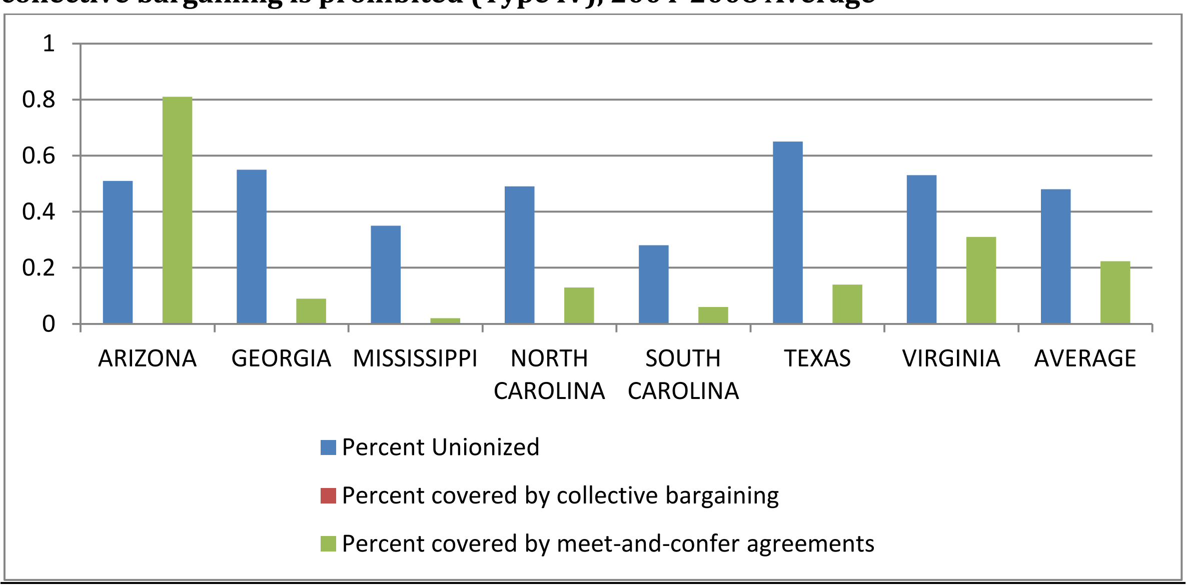


TABLE 4.7: Unionisation and Collective Bargaining among U.S. Teachers: States where collective bargaining is prohibited (Type IV), 2004-2008 Average



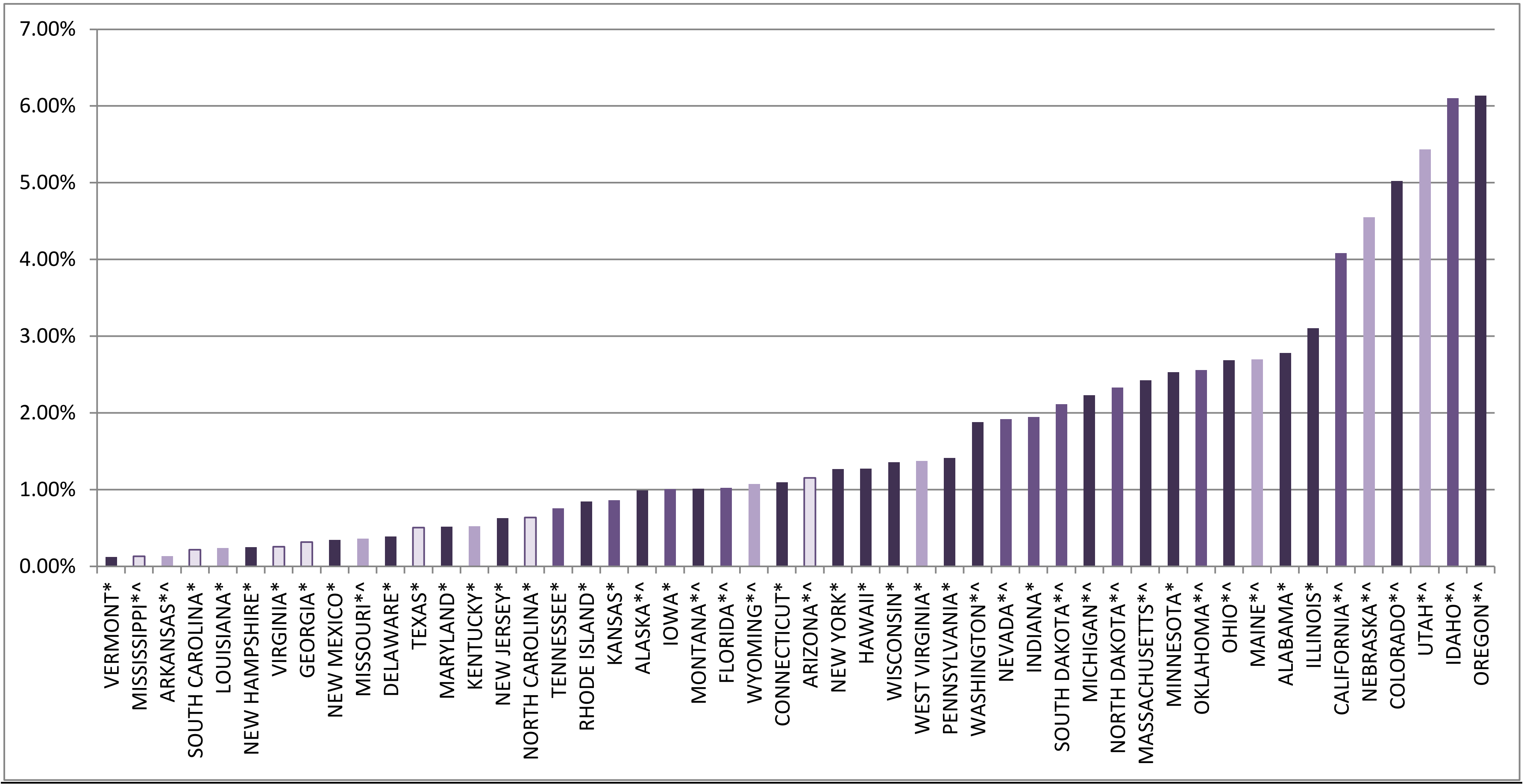
Source: Data from Moe (2011, p. 54-55)

Even a cursory glance of the tables makes it clear that important differences between states are not captured by differences in the type of collective bargaining laws alone. In New Mexico

(Table 4.4), both its union membership (41%) and collective bargaining coverage (56%) are notably below the averages for Type I states (95.5% and 96.1% respectively). Similarly, Indiana (Table 4.5), as a Type II state, has union membership (95%) and collective bargaining coverage (96%) rates that in addition to being above the Type II average, would be above average for a Type I state. And in Colorado, Utah (Table 4.6), and Arizona (Table 4.7), the rates of collective bargaining (in the case of Colorado and Utah) or meet-and-confer (Arizona) coverage are notably higher than other Type III and IV states.

Similarly, Moe uses data on teachers' unions' political spending to demonstrate their dominance in U.S. education policy, arguing that teachers' unions' dwarf other interest groups in political spending. He argues that teachers' unions concentrate their political spending primarily at the state level for two reasons—because public education is controlled primarily at the state-level and because of tighter limits on campaign contributions at the federal level than in most states. Moe documents that in 2008, teachers unions contributed $5.4 million to national campaigns and $61.8 million at the state level. He finds that, compared to other interest groups, unions were the top contributors to candidates and parties in 2006 and 2008 in 40% (Moe, 2011, p. 290) of states and either first or second in 60% of states (Moe, 2011, p. 290). These are huge sums of money to be sure, but as Figure 4.9 shows teachers' unions' political contributions are not equally significant across states. Variation across states was correlated with collective bargaining laws: "If money is any guide to union power, then, the teachers unions appear to be more powerful—or less—in precisely the places we'd expect" (Moe, 2011, p. 290).

FIGURE 4.8: Average Teachers' Unions' Political Contributions as Percentage of Total Contributions, by State (2002-2012)



Source: The National Institute on Money in State Politics

Moe rightfully acknowledges that though the level of teachers' unions' political contributions appears to be correlated with collective bargaining laws, the pattern is "not ironclad, and we need to be careful about over-generalizing" (2011, p. 290). However, beyond the acknowledgement of state-level variation in union levels and influence, this variation is largely ignored in Moe's work.

In addition to meaningful differences between states—which may be partly, though not completely, captured by differences in collective bargaining laws—there may also be important differences in the power of unions *within* states, at the local level. Broadly, at the state level, teachers' unions in Type I states may be more powerful than those in Type IV states due to the significant difference in both membership levels and coverage levels[63]. In Massachusetts, where virtually all teachers are union members and covered by a collective agreement, district-level differences will likely be negligible and unimportant. But, in states where the majority of teachers are *not* covered by a collective bargaining agreement, the teachers' unions in districts where teachers *have* secured the right to bargain for their members will be meaningfully different from the 'typical' teachers' union within that state. For example, in Missouri, only 8% of teachers are covered by a collective bargaining agreement, so teachers' unions in Missouri would likely be described as weak relative to their Type I counterparts. However, teachers' unions in both Kansas City and St. Louis—the state's two largest cities—have secured the right to collectively bargain. So at the local level, these unions are likely much different, and potentially stronger, than their Missouri counterparts.

The potential for local variation may be especially true in Type IV[64] states where collective bargaining is not permitted. These states are all southern states with notably conservative political cultures. However, even in these 'right to work' states where collective bargaining is not permitted, important variation may exist at the local level. Some districts in these states will engage in 'meet-

[63] Whether measured by collective bargaining coverage or meet-and-confer agreement coverage.
[64] Arizona, Georgia, Mississippi, North Carolina, South Carolina, Texas, and Virginia prohibit collective bargaining.

and-confer' agreements—an informal consultation process that functions almost identically to collective bargaining. In a state like Texas where fewer than 15% of teachers are covered by meet-and-confer agreements, unions may be notably more influential in districts that meet-and-confer than those who do not. These districts likely have notably higher membership levels than other districts within the state, and would be expected to have increased financial and political resources. Similar results would be expected if data were available to disaggregate union membership and resources at a district-level.

The complexity of the education policy-making institutional context in the United States and the equally variable union organisation across the country suggest the need for further refinement and testing of existing theories. However, methodologically, the diversity of union organisational arrangements across the United States and the lack of a priori theories about the states and districts where teachers' unions are relatively strong or weak complicate any efforts to select crucial cases at the sub-national level. None of the existing research provides tools for evaluating the relative strength of unions across states or across districts. Is a school district in a Type IV state that engages in meet-and-confer negotiations stronger than its counterpart in a Type III state where the district does not consult the union at all? Without the conceptual tools to deal with relative union strength—a priori conceptions of when unions are more or less strong independent of their effect on policy outcomes—it is impossible to engage in fruitful sub-national generalisation with confidence. Both the conditions under which teachers' unions are more or less powerful across the United States as well as how these variations might be linked to different policy outcomes and what they might contribute to theories of teachers' unionism are currently unknown, making the selection of crucial cases within the United States difficult.

4.4.1b International Comparison

Moe has formulated a hypothesis about the influence of teachers' unions in the United States. However, Moe's explanation yields limited insights into the mechanisms through which union strength is translated into influence. By testing this hypothesis through a comparative lens, theories of U.S. teachers' unions can be refined. Therefore, before zooming in on cases within the U.S. context and exploring the ways that the landscape of union power may vary across the country (Chapter 8), US-centric theories were placed in broader comparative context.

International comparison was valuable in this research for several reasons. First, as discussed in the previous section, it facilitated the selection of crucial cases. Second, international comparison served a paradigmatic purpose—"distancing [the researcher] from the case [he or she] knows best" (Kocka, 2003, p. 41). Theoretical insights within the United States may benefit from a broader comparative viewpoint. Third, this iterative comparative approach may serve to produce a more finely differentiated set of contingent generalisation—attending to the particular causes and delimiting conditions of a causal theory (Ragin, 2000). Consistent with the view that comparative understanding is iterative—that the particular is understood in light of the general and vice-versa—international comparison moves between the particular and the general to check the soundness of the theory.

Moe's account is exclusively US-centric, which might lead some—particularly those who subscribe to views of 'American Exceptionalism'— to question the appropriateness of international comparison. Though Kocka (2003) describes four functions of comparison—heuristic, analytical, descriptive, and paradigmatic—and all are relevant to this inquiry, the latter objective deserves special mention in terms of the international-subnational comparative research design. Beyond simply distancing the researcher from the case he or she knows best, the paradigmatic value of international comparison may lie in expanding the empirical diversity of an observed phenomenon. For example, a study of the relationship between unionisation and variable pay schemes in

Germany's private sector found that cooperative union-management relationships increased the likelihood of pay-related innovations (Heywood, Heubler, & Jirjahn, 1998). Though the correlation between cooperation and variable pay had been hypothesised and tested in the United Kingdom and Australia, there was no empirical relationship in those contexts. Based strictly on the Anglo-Saxon cases, researchers could have concluded that cooperation was either impossible or irrelevant to decision-making. However, the German case pointed to different conclusions and prompted different questions: What is distinct about the labour relations systems and contexts? What does cooperation mean in the German context? Can the concept travel? Why or why not?

Thus, international comparison provided a "de-provincialising, a liberating, an eye-opening effect" (Kocka, 2003, p. 41), particularly useful given the fierce and seemingly intractable debate about teachers' unions in the United States. This paradigmatic view may prompt two different conclusions—both of which are theoretically valuable.

First, international comparison may cause the researcher to see the 'original' case differently—to be more sensitive to theoretically important but previously ignored variables. For example, perhaps observing cooperative labour-management relationships in Germany prompts the researcher to re-examining labour relations in the UK context, enabling her to see nuanced differences that were always there but previously overlooked. Or second, the researcher may conclude that the two cases are fundamentally different—that the cooperative relationships observed in Germany are impossible due to institutional structures or other explanations in the UK. In the latter case: "The discovery of the extraordinary urges the observer to explain why the rule that exists here is absent there and vice versa" (Dogan & Pelassy, 1990, p. 9). The international cases may confirm Moe's argument (through one of the hypotheses outlined in Chapter 3), greatly strengthening it. However, if they challenge his theory, they provide opportunities for theory-building. The international cases may reveal new insights—evidence of limitations within existing theoretical models—that could explain 'exceptional' cases within the U.S. Alternatively, perhaps

Moe's particular argument *is* explaining something unique or extraordinary not, in fact, generalisable outside of U.S. borders. In that case, "the observer [must] explain why the rule that exists here is absent there, and vice versa" (Dogan & Pelassy, 1990, p. 9). Such an explanation would need to be able to identify the unique conditions that define the particularity of union preferences and influence. The process of constructing such an explanation—contingent generalisation (George & Bennet, 2005)—would strengthen existing theories.

Understanding particular cases is important, but building general hypotheses sharpens perceptions of the particular. Thus, this research utilises two comparative lenses, first applying an internationally comparative lens, and then, testing the theoretical insights within the U.S.

4.4.1c Selected Cases: Identifying 'Cell 4' Cases

As discussed in Section 4.4.1a, crucial cases were selected because they provided the best opportunity for theory testing and refinement. International case selection proceeded through several steps. First, the class of cases was determined, establishing the relevant subset of the population. Dogan and Pelassy (1990) argue that the quality of a comparative study will depend on the accuracy of conceptual tools and the consistency of the field—the part of the system being studied and the kind of units compared. Thus, the search for international crucial cases was limited to western liberal democracies—the original OECD 20. The decision to focus on one particular type of reform (PRP), instead of comparing a variety of reform processes was also motivated by an effort to maintain maximum consistency of the field. Though the specific PRP reforms across cases differ, they are all of the same type of reform and are responses to similar policy problems (Section 2.3).

From the population of western liberal democracies, cases where PRP for teachers had been implemented were identified based on data reported by the OECD (2006, 2007, 2008, 2009, 2010, 2011, 2012). Three countries were highlighted on the basis of notable reform in the area of teacher compensation—Finland, Sweden, and the Cantons of Zürich and St. Gallen in Switzerland[65]. In

[65] Specifically the cantons of Zürich and St. Gallen.

addition, based on reports of approaches to teacher compensation displayed for all countries included in Education at a Glance (OECD, 2011), Denmark and the Netherlands were also identified as compensating teachers in ways that deviated significantly from traditional approaches.

Though the potential sample of cases was selected to feature crucial cases, selection within the sample was guided by an effort to increase the diversity of cases in terms of institutional arrangements. For example, due to some similar institutional arrangements in Sweden and Finland, only one of these cases was selected. Though the relative similarity of potential cases is a limitation in terms of case diversity—they are all small European states (Katzenstein, 1985) and consensus democracies (Lijphart, 1999)—the researcher attempted to maximise the diversity of cases from within the sample. On the basis of this logic, two cases were selected—Finland[66] and the Swiss canton of Zürich[67]. Methodologically, the decision to examine different policy-making units—a nation, a region (canton), and later, school districts in the United States, is an important component of conceptual validity—measuring the indicators that best represent the theoretical concepts the researcher intends to measure (George & Bennett, 2005). Conceptual validity is achieved through 'contextualised comparison' which "self-consciously seeks to address the issue of equivalence by searching for an *analytically equivalent* phenomenon—even if expressed in substantively different forms—across different contexts" (Locke & Thelen, 1998, p. 11). This decision is also linked to the theoretical framework outlined in Chapter 3; the relevant institutional context can only be determined relative to the particular policy-problem under investigation—PRP.

If the contestation of the US-Finland comparison of education systems is any indication, many will argue that Finland and Zürich are ill-suited to be compared to the United States. In addition to the significant descriptive differences—size and diversity, for example—the political

[66] Finland has been the focus of significant international attention since the 'miracle of PISA' in 2000. However, it should be noted that this research does not, in its inclusion of Finland, make any attempts to provide explanations for Finland's success on the PISA exams nor to promote an argument that Finland's approach to teacher compensation, or its teachers' union (OAJ), is a cause of the performance of Finnish 15 year-olds on the PISA exams.

[67] The Netherlands was also originally selected but was eliminated after preliminary research and conversations with informants confirmed that it could not be classified as a case of 'successful' reform.

cultures stand far apart. However, the differences in political culture may be an asset, rather than a limitation, of the comparative design. Katzenstein argues that "normally, comparative analysis explores objects that, to the uninitiated, look similar on the surface…or it points to continuities in objects that appear very dissimilar at first glance" (1987, p. 32).

The second selection consideration, or perhaps more aptly, a criteria for potential exclusion—presence of a strong union—presented a greater challenge in terms of the "accuracy of conceptual tools" (Dogan & Pelassy, 1990, p. 161). Cases could not be selected as a priori models of the most powerful unions—due to the emphasis on the contingency of power outlined in Chapter 2. However, in order to attempt to select cell 4 cases (Table 4.1), it was important to attempt to ensure that the selected cases were not 'weak'—that they had the requisite strength resources to hypothetically impact policy outcomes. Thus, the criteria for selection was *strength*, not power (see Chapter 2). Therefore, it was possible to rely on strength resources while remaining open to the contingency of power—whether or not these strength resources were translated into influence in case under investigation. Therefore, unions were labelled 'strong' if they had the potential to impact policy outcomes—taking basic institutional arrangements into account.

Though considerable attention is paid to the opportunity structure for union participation, influence, and strength resources in the case studies (Chapter 5 and 6), an overview of the cases will suffice here. Finland's teachers' union's strength resources are considerable; the Trade Union of Education (OAJ) organises over 95% of Finland's teachers and is included in the country's extensive tripartite bargaining system (OAJ, 2009). Though evaluating union strength resources in Switzerland, including the Canton of Zürich, was less straight-forward as union density levels are considerably lower, unions and special interest groups are often thought to have unique opportunities for political influence through referenda and institutions of direct democracy (Aubert, 1989; Immergut, 1992; Ladner & Brändle, 1999; Wagner, Santiago, Thieme, & Zay, 2004).

4.5 Methods: Data Collection and Analysis

Miles and Huberman (1984) argue that the methodological emphasis—rather than arguing for 'one best method'—should be on orderliness, or a methodological thoroughness and explicitness which facilitates clear, verifiable, and replicable findings. As Popper (1959) said, "There is no such thing as a logical method of having new ideas…Discovery contains an irrational element, or a 'creative intuition'" (as cited in King, Keohane, & Verba, 1994, p. 14). However, sound methodological choices can discipline the inquiry and ensure the scientific reliability of the findings. With this in mind, this section outlines methodological choices in three broad categories as outlined by Miles and Huberman (1984): "focusing and bounding the collection of data" (p. 16) (4.5.1), development and refinement of instrumentation (4.5.2), and data analysis (4.5.3).

4.5.1 Focusing and Bounding the Collection of Data

The collection of data was first bounded through case definition. In this research, the relevant cases—the class of events—were attempts to reform teachers' salaries and compensation, specifically attempts to implement PRP. Furthermore, analysis focused on recent[68] reform efforts in western liberal democracies. Thus, consistent with ACI, the unit of analysis was not necessarily the nation-state, but the institutions and actors within a given nation-state that determine education policy and reform. Thus, in Finland, where education policy institutions are relatively centralised, the nation-state was the appropriate unit of analysis. In Switzerland, on the other hand, the canton was the appropriate unit of analysis. Furthermore, because this research takes a "narrow" (Immergut, 1992, p. 67) view of education policy (Section 3.3), examining a specific issue (PRP) rather than the entire education system, the focus was on the specific events, interactions, or conflicts that contributed to the policy outcome of interest. Ultimately, determining the scope of events or interactions which constitute the case was a methodological choice about "focusing and bounding the collection of data" (Miles & Huberman, 1984, p. 16).

[68] 'Recent' will be defined as reforms since 1990, which will all fall within the 'era of permanent austerity'.

On the spectrum of qualitative research design—ranging from pre-structured design to a loose, emergent design—this study is closer to the pre-structured paradigm, a degree of structure necessitated by comparative demands (Miles & Huberman, 1984). The case studies were conducted according to what George and Bennett label "structured focused comparison" (2005, p. 67). Cases were focused because they only dealt with certain aspects of cases—in this case reforms of teacher compensation—and they were structured in the sense that interview schedules across cases were oriented around the same general areas of inquiry (Section 4.5.1a). In Finland, the '2007 new salary system' which was negotiated in the early 2000s was the focus of the case study. In Zürich, the case study examined the process of designing and implementing a new teacher evaluation system linked to teachers' pay, initiated in the late 1990s and implemented in 2000. In both cases, the emphasis was on the institutions and actors and their preferences and perceptions that produced the policy outcome. The focus was both descriptive—what happened—and analytic—why did it happen and what role did the unions play in the process.

4.5.2 From Theoretical to Analytic Framework

Miles and Huberman (1994) define the theoretical framework as the key factors and variables and the presumed relationships between them. The theoretical framework which guides this inquiry, ACI, was outlined in Chapter 3. Given the important role of the theoretical framework in guiding the collection of data, in order to make the link between the theoretical starting point and subsequent data collection explicit, the theoretical framework was converted to an analytic framework—a series of questions that focused the data collection in each case (Table 4.9).

TABLE 4.9: Analytic Framework

			Primary Resource	*Secondary Resource*
POLICY PROCESS [problem to outcome]		1. What was the reform/policy outcome?	Interviews	Documents
		2. What was the reform or decision-making process?	Interviews	Documents
INSTITUTIONS		3. What are the general patterns for education decision-/policy-making?	Secondary, Informants	Interviews
		4. Which set of actors* were involved in this particular decision-/policy-making process?	Interviews	Documents
		5. What institutional arrangements define the particular character of unionisation (particularly teachers) in this case?	Secondary Sources, Informants, Interviews	--
ACTORS	*PERCEPTIONS*	6. What were the actors'* perceptions of the policy problem or proposed policy? [*hypotheses, known empirical facts, idiosyncracies*]	Interviews	Documents (ZH)
	PREFERENCES	7. What were the actors'* preferences regarding the proposed policy? [*system maintenance, goal attainment*]	Interviews	Documents (ZH)
	INTERACTION ORIENTATION	8. What were the actors'* interaction orientations?	Interviews	--
	CAPACITY	9. How did the teachers' unions approach interest aggregation and representation? [*cognitive capacity, evaluative capacity*]	Interviews, Informants	--

**In this research, emphasis was initially on two groups of actors—teachers' organisations and policy-makers. However, the inquiry remained open to the presence of other significant actors, in which case they too would be included in this category of 'actors.'*

In terms of choices of data collection, case studies can involve a number of types of data, including archives, interviews, questionnaires, and observations (Layder, 1998; Yin, 1989). Table 4.9 provides an overview of the way sources were utilised to address the analytic framework. This dissertation relied primarily on elite interviews (Dexter, 1970/2006) supplemented both by information available through secondary source materials and documents as well as that provided by informants (Section 4.5.3). In Table 4.9, secondary resources refer to sources used for confirmation or validation of previously gathered information (Section 4.5.4).

4.5.3 Elite Interviewing and Use of Informants

The central research strategy was to rely on semi-structured interviews (Kvale & Brinkman, 2009) with 'elites'[69] supplemented by knowledgeable informants[70] (Dexter, 1970/2006; Paul, 1954). Informants provided historical and institutional context and access to elites. Sections 4.5.3a and 4.5.3b describe the elite interviewing process and the role of informants. Then, Section 4.5.3c and 4.5.3d describe the construction and use of semi-structured interview schedules and the execution of interviews.

4.5.3a Elite Interviewing

This dissertation adopts Dexter's (1970/2006) definition of elite interviewing, provided in *Elite and Special Interviewing*: an interview approach that allows the interviewee to teach the investigator what the problem, question, and situation are (p. 19). Elite interviewing—approaching interviews with a briefer, semi-structured interview schedule that uses more open questions as opposed to a more structured approach to interviewing (Peabody, et al., 1990)—is most appropriate for this inquiry for two reasons.

First, it provides a more efficient use of time to determine what is important. It seems best to operate under the assumption that attempting to interview policy-makers, union leaders, and other stakeholders will likely be met with "limited cooperation" (Gordon, 1987, p. 100) and that those who agree to be interviewed may place significant limits on the length of the interview (Peabody, et al., 1990). A more structured schedule that probed into each of the numerous mechanisms that *may* be important—as defined by actor-centred institutionalism—would be

[69] Any interviewee in important or exposed positions who is given 'special treatement': letting the interview define the situation, structure the account, and define relevance and irrelevance (Dexter 1970/2006)

[70] This dissertation adopts Paul's (1954) definition of informants: "individuals who have not only proved themselves well informed and well connected but have demonstrated a capacity to adopt the standpoint of the investigator. Informing him of rumors and coming events, suggesting secondary informants, preparing the way, advising on tactics and tact, securing additional data on their own, and assisting in numerous other ways."

extensive, requiring more than an hour to complete. Due to time limitations, the interview schedule was designed to be completed in 20-30 minutes, if necessary, with questions prepared for further elaboration if time allowed (Peabody, et al., 1990).

Second, elite interviewing was a preferred methodological approach because of the dispositions of interviewees and the nature of their knowledge. Elites may resist structured approaches to interviewing because they are accustomed to defining what is important. Preventing them from telling their stories could cause elites to disengage from the interview process (Dexter 1970/2006).

4.5.3b Use of Informants

The utilisation of informants was critical to the elite interviewing approach. Informants were a helpful avenue to access to elites, providing advice about the most effective and appropriate strategies for contacting elites within each context (Dexter, 1970/2006). In both contexts, informants suggested that it was appropriate to contact potential interviewees via e-mail followed by a phone call, if necessary. In all introductory contacts, the researcher explained the nature of the research project; the purpose of the interviews; and the way that data would be stored, protected, and used. Additionally, informants were sometimes willing and able to endorse the researcher or connect her directly to potential interviewees.

Informants were also valuable because of their ability to verify information collected through secondary literature about institutional arrangements and their influence on the policy-making process as well as providing more detailed information about the sequence of events and relevant actor constellations not available in the secondary literature prior to interviews. Conversations with informants were focused on the first five questions of the analytic framework—those related to the policy process and institutions (see Table 4.9). This information was important for two reasons. First, it allowed elite interviews to focus on the nature of the interactions that produce policy, including actors' orientations, perceptions, and preferences. By using informants to build a robust understanding of the facts—institutional arrangements, historical context, and relevant events—interviews could be focused on the *meaning* of events (Dexter, 1970/2006).

The contribution of informants was also important because of the pre-information that it provided to the researcher—critical in eventually securing the trust and confidence of the interviewee (Meyer, 2001). Adequate pre-knowledge allowed the researcher to establish competence and credibility and it also allowed questions to be framed with enough specificity to uncover new information and to engage knowledgeable elites and experts. However, the researcher was careful in the use of pre-knowledge so as not to reveal the research hypotheses. Furthermore, the researcher could not allow the goal of appearing knowledgeable and credible to interfere with framing open-ended questions that allowed the interviewee to explain what was important (Dexter, 1970/2006; Kvale & Brinkman, 2009).

4.5.3c Interview schedules

Miles and Huberman (1984) describe field research has having both a descriptive and an explanatory function in which the aim is "to depict the local context and what happens within it *and* to disclose the rules and reasons that determines why things happen the way they do" (1984, p. 132). Consistent with this approach—and with the problem-oriented research questions guiding this research—the interview schedules (Miles & Huberman, 1984) had both descriptive and explanatory functions—uncovering *what* happened and *why* it happened.

The interview schedules were relatively brief—approximately 20 questions and lasting from 40-90 minutes—and questions were posed in general terms, consistent with the methodology of elite interviewing that aims to discover. Though the wording of questions was tailored to the details of each case and the role of the interviewee and instruments were revised throughout the research process (Miles & Huberman, 1984)[71], they were guided by the theoretical framework and,

[71] Process or descriptive questions were somewhat basic at the beginning of the research process. As the research process developed, these questions were able to get more specific or move towards more detailed questions. Follow-up contacts were also used where appropriate.

ultimately, the research questions. General interview schedules are included in Appendix I, including the link between interview questions and the analytic framework.

In addition to describing what happened—crucial to understanding the policy- and decision-making process and the role of unions in that process—the guide also probed for explanations guided by the theoretical framework outlined in Chapter 3 and operationalised in Table 4.9. Though information about the policy process—from policy problem to outcome—and institutional landscape was primarily sought through informants and secondary literature, this information was often confirmed and clarified through interviews. Then, in addition to descriptive details about the policy process, interview schedules focused on actors' orientations as outlined in Section 3.3.3—their perceptions, preferences, and interaction orientations.

Furthermore, questions were worded carefully in order to avoid projecting definitions with which the interviewee may be uncomfortable or resistant:

> In most political interviews, certainly, and I think in most interviews where the important thing is the discovery of a social pattern or value of any sort, it is important to start off with comments or ask questions where the key words are quite vague and ambiguous, so the interviewee can interpret them in his own 'terms.' (Dexter, 1970/2006, p. 53)

This was strategically important according to Dexter because "A question which sharply defines a particular area…is far more likely to result in omission of some vital data which you, the interviewer, have not thought of" (1970/2006, p. 54). An appropriate vocabulary is that which facilitates clear understanding, establishes of an optimal relationship between researcher and interviewee, provides a vocabulary for response without violating etiquette, and avoids emotional or 'loaded' words (Gordon, 1987).

In terms of this research, attention to appropriate vocabulary was critical. Many interviewees were sensitive to language about education 'reform'—particularly because of the researcher's American accent and assumptions about what reform means in the American lexicon.

Therefore, the researcher avoided use of the term ‘reform’ and instead referred to ‘policy changes’, ‘legislative changes’, or ‘the new system’. Similarly, the researcher avoided referring explicitly to ‘PRP’ or ‘merit pay’ and instead attempted to always refer to the policy changes by their local title.

Furthermore, the researcher avoided stressing particular themes until the interviewee raised them, at least until the end of the interview (Dexter, 1970/2006; Peabody, et al., 1990). However, as a part of the interview schedule, the researcher had instructions about issues on which the interviewee would have been expected to respond—as defined by the theoretical framework (Dexter, 1970/2006). Then, at the end of the interview, or as appropriate, the researcher probed further with specific questions in areas where general questions failed to produce a response (Dexter, 1970/2006).

Methodologically, this was important because perhaps the omission—for example, if the interviewee did not discuss an actor that the interviewer expected to be significant—was the product of the omitted actor being unimportant to the policy-making process and outcome in question. In this case, the unimportance of the actor in question could be confirmed in targeted follow-up questions. At the same time, if the omitted actor *was* in fact important, the interviewee had an opportunity to clarify that in response to more targeted probing. Though elite interviews allow the interviewee to define ‘what is important’, the researcher ensured that interviews were similar in their coverage by including detailed instructions about anticipated responses within the schedule.

Though elite interviewing presents advantages over more structured approaches (Dexter, 1970/2006), it also poses challenges. Specifically, information gathered across interviewees—both within one country and also in the common themes that are generated between countries—tends to be less standardised than information gathered through a more structured process. Can the researcher be sure that the elite accounts of what is important in the reform process do not neglect other important—though potentially unobserved or underestimated—mechanisms?

Standardisation was accommodated by using similarly structured guides informed by the analytic framework and by using strategic probes into theoretically important but neglected areas. Secondary sources were also used to corroborate and supplement details provided in elite accounts.

4.5.3d Execution of Interviews

Four criteria, based on Pettigrew's (1990) pluralist view[72] and modelled in other research (Meyer, 2001), guided the sampling of interviewees. First, interviewees were selected from multiple perspectives, constituencies, or stakeholder groups. Second, the researcher sought multiple interviewees within a given perspective or constituency. Third, interviewees needed to be knowledgeable about the reform process. Finally, interviewees with a range of involvements[73] were selected (Pettigrew, 1990). In practice, this meant that in addition to interviewing individuals—within the teachers' union for example—who were *directly* involved in negotiations or consultations about the reforms in question, other staff-members[74] who may have been less involved were also consulted. Consistent with Layder's (1998) recommendations, the sample was not predetermined as key questions about which events were relevant and which individuals were knowledgeable could not be answered prior to the research.

In Finland, prior to conducting interviews, the researcher met with over 15 informants—these individuals ranged from academic researchers to those working at the National Board of Education, the municipal employer organisation (KT), the central teachers' union (OAJ), or at the local education level. Then, 14 individuals were interviewed[75]. Interviews ranged in length from 47 to 108 minutes, averaging approximately 73 minutes. In addition to the individuals who were

[72] Analysing competing versions of reality as seen by actors.
[73] This was more true in Finland than Zürich. In Zürich, the reform process was relatively 'closed', which meant that only a small circle had knowledge of the events in question.
[74] But who were also knowledgeable—consistent with the third principle.
[75] 12 interviews were conducted—two interviews included two individuals.

interviewed, three provided written responses. Follow-ups were conducted primarily via e-mail, though the researcher met with three individuals a second time. (See Appendix II)

In Zürich, prior to conducting interviews, the researcher spoke with 13 informants—primarily researchers. The researcher also visited a school and talked with a teacher in the city. Then, six individuals were interviewed or provided written responses. Interviews ranged from 34 to 103 minutes and averaged approximately 57 minutes. Follow-ups were conducted via e-mail. (See Appendix III)

Interviews were conducted in English. Interviewees were given a choice to conduct the interview in their mother-tongue using a translator or to provide written responses to questions in their mother-tongue either in addition to or instead of an oral interview. Two individuals in Finland provided written responses in Finnish and declined to be interviewed, and a few individuals may have been unresponsive to requests for interviews due to language-related ambivalence. However, the interviews conducted in both cases reflect a good cross-sampling of individuals and organisations. Interviews were recorded in order to ensure accuracy unless interviewees objected to the use of a recorder—none did. In all interviews, the researcher took notes, which were typed up promptly after the interview in order to reconstruct content and to capture nuances and impressions that may not be captured in the notes or recording (Miles & Huberman, 1984). Initially, the interviews were not transcribed but were stored. The researcher listened to all the interviews in order to verify accuracy, check for omissions, and to add any quotes or details to interview notes. After initial analysis, the researcher decided to produce transcripts.

4.5.4 Documentary Sources

Three major types of documents were used in this research: documents provided by interviewees, newspaper articles and other secondary sources, and publically available documentation about collective bargaining or legislative changes. The latter two types of documents were exclusively in Finnish or German; some versions of documents provided by interviewees were available in English.

Because the researcher is not fluent in German or Finnish, there were real, but not insurmountable language challenges. Upon receiving documents, the researcher worked to produce provisional translations of documents and to work with interviewees and informants to identify critical documents. Then, the researcher used hired translators to translate critical documents. The researcher's work in producing provisional translations was essential because it allowed the researcher to identify and recognise key vocabulary—critical to identifying other sources and also for use in interviews. Originals and translations of documents were kept and stored together. Though these sources were not the primary data source, they were helpful for validating and supplementing information provided by interviewees (Table 4.9).

4.5.5 Data Analysis

Data analysis proceeded through four stages: a preliminary phase, a period coterminous with data collection, within-site analysis, and comparative analysis and analytic generalisation (Miles & Huberman, 1984). Exclusively focusing on within-site analysis—constructing descriptive accounts, themes and related matrices, and unpacking causal mechanisms—before turning to comparative analysis was a strategic choice, in order to ensure that each case's unique patterns were not lost in an effort to construct generalisations (Eisenhardt, 1989).

4.5.5a Preliminary Phase

Before conducting interviews, in the preliminary stage, the researcher used secondary sources and informants to understand the institutional structure—the legal determinants of policy-making and change, the interactions that produce policy, and the way that these arrangements constrained or enabled the involvement of teachers' unions. Then, data gathered through secondary sources, informants, and interviews was used to construct a preliminary chronology of relevant events (Miles & Huberman, 1984). This chronology—the descriptive component of the research—was revised and clarified throughout the research process[76] (Miles & Huberman, 1984).

4.5.5b Analysis Throughout Data Collection

The second phase of data analysis was coterminous with data collection, as write-ups, memoing, and intermediary case analyses were used to generate strategies for the collection of new data on the basis of emerging hypotheses (Layder, 1998; Miles & Huberman, 1984). These records—particularly interview write-ups—were then used in later analyses[77]. The researcher, following Miles and Huberman's (1984) recommendations, used field notes, contact summary forms, and periodic interim site summaries throughout the data collection process.

4.5.5c Within-site Analysis

After all interviews had been conducted, the researcher used field notes and contact summary sheets—which were checked against interview recordings for comprehensiveness—as well as supplementary documentary evidence to begin conducting within-site analysis. Within-site analysis involved two major components, reflected in Chapters 5 and 6, which are linked to the guiding research questions. First, analysis attempted to explain 'what happened', developing a sound chronology of events and tracing causal pathways through those events. Second analysis

[76] The preliminary chronology was more complete in Zürich than Finland; therefore, interviews in Finland had a substantial chronological/descriptive component.
[77] Recordings were stored and used to verify information in write-ups, notes, and summaries.

focused on 'why it happened'—with particular attention to actors' orientations and the institutions which constrained or enabled their participation.

The field notes were first analysed through repeated rereading or "soaking and poking" (George & Bennett, 2005, p. 96), which allowed the researcher to become familiar with the interview accounts and their interrelationships. Then the researcher coded the field notes using descriptive codes (Miles & Huberman, 1984) based on the ACI framework's three factors—institutions, actors' orientations, and policy process[78]. The process of applying these descriptive codes produced many new pattern codes, as new themes emerged (Miles & Huberman, 1984).

Because institutional arrangements were the one area in which interviewees were a secondary, confirmation-oriented, source of information, though there were some basic codes related to institutional arrangements (see Table 4.9). It was primarily used to confirm, validate, and supplement secondary source material. In contrast, the event-based codes were almost entirely pattern codes—based on refinements of the provisional chronologies produced in the first and second phases of data analysis (Miles & Huberman, 1984).

Pattern coding was particularly important regarding actors' orientations—the component of the ACI framework for which the interview data was most essential. The process was extensive and iterative. Though the preferences and capacities of both government decision-makers and unions were collected, the majority of the analysis focused on the preferences, perceptions, and capacities of the union. In both cases, the general sub-categories—the union's preferences, perceptions, and capacities—were further disaggregated based on both general distinctions that applied to each case and particular themes that emerged from each respectively. For example, preferences were disaggregated according to general goals or preferences as well as to particular reform-related preferences or perceptions articulated in each context.

[78] ACI refers to the 'policy problem' and policy outcome separately, but for the sake of analysis, they were both included as part of the policy process reflected in three types of codes—policy problem (PP), policy outcome (PO), and timeline events (TIME).

The pattern coding process was iterative, moving between theory and data (Layder, 1998; Miles & Huberman, 1984). For example, the process of reading the sections of interviews that had been coded for relationships prompted the researcher to return to Walton and McKersie's (1965/1991) work on relationship patterns and interaction orientations. Then, relationship data was coded according to their attitudinal dimensions.

After multiple readings, and as coding became more extensive and interpretative (Miles & Huberman, 1984), emerging themes related to actors' perceptions, preferences, and relationships required greater precision than available through interview notes and summaries. As a result, the researcher transcribed the majority of interview data—excluding sections like career background or irrelevant historical context that clearly fell outside of the codes. Then, based on the applied descriptive and pattern codes, interview data was combined into a spreadsheet where all data could be viewed together. Each interviewee was assigned a row and each code a column. All excerpts relevant to each code was pasted into each cell; when a section applied to multiple codes, it was included in multiple cells. This process also aided in the production of new codes and refinement of existing codes.

4.5.5d Comparative Analysis

Only after careful within-case analysis did the emphasis turn to between-case comparison and analytic generalisation—comparison with existing theories (Meyer, 2001; Miles & Huberman, 1984). The extensive focus on with-in case analysis before turning to comparison was important to ensure "the integrity of cases as complex configurations" (Ragin, 2000, p. 38) and reflects the case-oriented assumptions which guide this research (Section 4.4.1). Chapters 5 and 6 provide both descriptive accounts of each case as well as explanatory hypotheses derived from comparative analysis. On the basis of the comparison between cases, the researcher then moved to analytic generalisation in the fifth phase (Yin, 1989) (Chapter 7).

4.6 Conclusion

The theoretical framework outlined in Chapter 3 provided the blue print for constructing a bridge that would address the gaps and limitations of the existing literature. The methodological decisions outlined in this chapter—case selection, data collection, and analysis—provided the specifications for the building materials that were needed and how they were collected and assembled. Chapter 5 and 6 are the products that resulted from these processes. They provide provisional answers the problem-oriented questions that guide this research, creating a platform from which theory-oriented questions can be approached in Chapter 7.

CHAPTER FIVE: The OAJ and Finland's New Salary System

5.1 Introduction

In 2007, a new salary system was introduced for teachers in Finland which allowed municipalities to differentiate teachers' compensation on the basis of their task complexity as well as their professional performance. Though implemented in 2007, the system was the culmination of a 2002 agreement to develop public sector wages. A deep recession in the 1990s produced significant public spending cuts from which public employees' wages had not recovered. The salary development contract that was agreed in 2002 provided additional wages for municipal employees over the period 2003-2007 to help close the gap between public employees and their private sector counterparts, which a statistical study found to be approximately 7-8%. Teachers, represented by their union *Opetusalan Ammattijärjestö* (OAJ), were included in this salary development agreement. In exchange for a 3-4% raise[79], the OAJ agreed to several notable changes which were goals of the municipal employers—represented by *Kunnallinen Työmarkkinalaitos* (KT)—in order to modernise the teachers' compensation system. The first change was that a percentage of the annual increase could be negotiated locally, called järjestelyerä, between individual municipalities and local union association shop stewards. Prior to 2007, teachers' salaries across Finland were highly standardised (see section 5.5.2); the new system gave municipalities more freedom in how to compensate teachers. The second change was that the OAJ agreed that järjestelyerä money could be allocated in one of three ways: it could be applied to teachers' base salaries without deviating from the centrally negotiated contract and raises, it could be applied to particular jobs based on locally agreed definitions of 'task-complexity' (TVA), or it could be distributed to individual teachers on the basis of their superior effort or performance (HL).

Though the total sum of money that is locally determined and which goes to 'professional performance' (HL) is small relative to teachers' total compensation, the reform was a marked shift.

[79] In addition to the annual raises negotiated through the TUPO system (see section 5.3).

Furthermore, the reform is of theoretical interest in terms of this research. Existing theories of teachers' unionism suggest that teachers' unions would oppose these changes and that a strong union would block them. Finland provides an opportunity to consider the problem-oriented questions guiding this research: when do such results (PRP) occur? Why don't they always? What role do teachers unions play in the PRP reform process?

First, PRP in Finland was facilitated by a series of economic factors. The reforms occurred immediately after a recession and at a time when there were 'spoils to divide'. Though there were things that the union disliked about the reform, accepting the reforms was perceived to be in their best short- and long-term economic interests. Second, PRP in Finland occurred as part of broader reform movements—the decentralisation of decision-making to local authorities and the restructuring of salary systems throughout the municipal sector to include local decision-making and an emphasis on outputs and employees' performance. In addition to the financial inducements, many of the unpopular reform components—local decision-making and PRP—had already been introduced throughout the rest of the municipal sector. This may have strengthened the employers' bargaining position or convinced the union that reforms were inevitable.

But in addition to the contextual factors that contributed to reform, a significant part of the story is contained in the behaviour and activity of the OAJ itself. Thus the third key insight from the Finnish case is that the OAJ's preferences and resulting interests and strategies were more complex than Moe's RCI assumptions would suggest. The union's preferences were complex and competing rather than fixed and predictable. Finally, the union did not strictly oppose reform—its role in the reform process was far more complicated. Instead, it was a collaborator, and even played a role in initiating the reforms. The collaborative relationship between the OAJ and the municipal employers (KT) is a significant part of the reform story in Finland, as any union opposition was overcome, not by power, but by compromise.

These problem-oriented insights suggest a variety of theory-driven revisions, but these will be reserved for Chapter 7. The emphasis in this chapter will be on the problem-oriented questions. The theoretical framework—policy-problem, institutions, and actors' orientations (Chapter 3)—and its specific operationalisation in the analytic framework (Table 4.9)[80] structure the inquiry into these questions. The presentation of the Finnish case references the analytic framework, in order to demonstrate the links between the analytical framework (AF), the execution of research, and the research findings[81]. Section 5.2 introduces two institutional features salient to this inquiry—consensus democracy and decentralisation. These features inform the general pattern of education decision-making (AF, 3). They also speak to the relevant set of actors (AF, 4) and the character of unionisation in Finland (AF, 5), though these questions are primarily addressed in Section 5.3's review of trade unions in Finland (5.3.1) and the collective bargaining process (5.3.2). Finally, Section 5.4 focuses on the OAJ and its professional and organisational resources.

The general patterns of policy-making, how they determine the relevant set of actors, and the particular character of the OAJ (AF, 3-5), contextualise the inquiry into what happened and why. Section 5.5 outlines the reform process, describing the new system in 2007 (Section 5.5.2), and the process that led to its establishment. Section 5.6 analyses why the reform occurred, attending—consistent with the theoretical framework—to the OAJ's perceptions, preferences, capacity, and interaction orientation.

Though the institutional arrangements and reform process of 2000-2007 are the primary focus, these dynamics should be understood within their historical context. Though the development of teachers' salaries occurred in the first decade of the 21st century, it must be understood in terms of the developments of the previous historical periods (See Appendix II.i for more historical background). First, the process of nation-building, beginning with Finland's struggle

[80] Links to the analytic framework will be identified by (AF, question number)
[81] See previous

for independence from Sweden and then Russia, but particularly the rapid industrialisation, modernisation, and state-building of the 1950s and 1960s defined Finland's political institutions and many aspects of its public policies. Second, Finland's rapid post-war development established its welfare state—particularly in terms of education policy and Finland's commitment to educational equality. A number of significant education reforms were undertaken in the 1970s, including comprehensive education reform, which continue to define Finnish education policy and shaped the development of the teachers' union, the OAJ (see Section 5.4). Welfare and education systems were further refined by the decentralisation of the 1980s, as Finland moved away from the highly-centralised 'planning state' of the 1950s-1970s. Thus, modern Finnish institutions must be understood in light of both a 'strong central state', but also one that has delegated responsibility to regional governments and municipalities. Finally, the changes to the teachers' salary system was significantly informed and impacted by the economic difficulties that Finland experienced in the 1990s. Though economic recovery was underway by 2000, the effects of the recession could still be felt, including in public sector compensation which lagged behind other sectors.

Though the reforms occurred in the 21st century, some understanding of Finland's history is valuable for two reasons. First, the preceding historical periods—nation-building from the late 19th century-the 1940s, the development of the welfare state from the end of World War II through the 1980s, and the recession of the 1990s—provide important context for understanding the reforms that occurred from 2000-2007. Second, these historical periods provide the frame within which the two dominant themes—institutional determinants of union strength and the process-based exercise of union power—unfold.

5.2 Institutional Context in Finland

This section provides an overview of the Finnish institutional landscape at the beginning of the 21st century. These institutional arrangements provide the building blocks to understand OAJ's strength resources—political, organisational, and professional—and the opportunity structure for union participation and influence. They inform several components of the analytic framework. Most directly, they define the general patterns for education policy-making (3). However, they also determine which set of actors were involved in the development of the 2007 salary system (4), and they contribute to an understanding of the particular character of unionisation (5)—though the latter factor will receive closer attention in Section 5.5. Three major institutional arrangements are relevant to these issues: collective bargaining and negotiation arrangements, the consensus-orientation of institutions, and the distribution of authority between policy-making levels and decentralisation. The arrangement of collective bargaining and negotiation is most obviously relevant to the reforms, and is addressed in Section 5.4 alongside discussions of union development. Both the consensus-orientation of Finnish policy-making (Section 5.2.1) and decentralisation (5.2.2) are significant to understanding the reforms and why they occurred.

5.2.1 Consensus Democracy

Finland appears to fit Lijphart's (1999) definition of consensual democracy—characterised by broad coalitions, executive-legislative balance, a multi-party system, proportional representation, and a coordinated or corporatist interest group system which is aimed at compromise and concertation. In addition to extensive consultation, the Finnish polity is characterised by broad governing coalitions and interest representation. Broad governing coalitions, which have been typical since the 1970s (Arter, 1987) lend stability to the collective bargaining process, as these coalitions have ensured that the government can deliver legislatively what they have promised in negotiations—preserving trust in and the legitimacy of collective bargaining (AKAVA.Negotiator). Interest group alliances are often similarly broad. Unlike some contexts where unions are closely aligned with one party, unions in Finland—especially the OAJ and other professional unions—are non-partisan groups that work closely with all major parties.

According to the OAJ, they work with any party who ‘supports public education’[82]. This non-partisan commitment is reflected not just in OAJ’s organisational work and efforts, but in its membership distribution. Table 5.1 shows data from Finnish municipal elections that occurred in the autumn of 2012. Nationwide, 4.23% of candidates for municipal council were current or former teachers, and though there was variation across political parties, there were teacher candidates across all major political parties. This trend likely has at least two contributing explanations. First, the OAJ represents over 90% of teachers. But second, there appears to be genuine non-partisanship when it comes to educational issues. OAJ’s broad political engagement has significant implications for the particular character of teachers’ unionisation in Finland (AF, 5), illuminating the norms and informal rules of participation.

[82] Personal communication with informant.

TABLE 5.1: Teachers Running for Municipal Council 2012

Party	Teacher Candidates (% of total)
Kansallinen Kokoomus (The National Coalition)	5.50%
Keskusta (Centre)	4.23%
Kommunistinen Työväenpuolue (Communist Workers' Party)	3.92%
Perussuomalaiset (True Finns)	1.51%
Suomen Kommunistinen Puolue (Communist Party)	2.90%
Suomen Kristillisdemokraatit (The Christian Democrats)	7.15%
Suomen ruotsalainen kansanpuolue (Swedish People's Party)	6.53%
Suomen Sosialidemokraattinen Puolue (Social Democratic Party)	3.22%
Vasemmistoliitto (The Left Alliance)	2.77%
Vihreä liitto (Green League)	8.32%
Total	**4.23%**

Source: Finnish Ministry of Justice (2012), author's own calculation

Due to the importance of broad representation and alliances interest groups are frequently and extensively consulted. In Finland, decision-making across policy sectors has been identified as "broadly inclusive and based on extensive consultation with key interest groups" (Raunio, 2004, p. 147). Tripartite negotiations are one way that interest groups are incorporated in state decision-making processes (Bruun, 2005). But they are not the only channel for influence. Several arenas are available for interest group participation in Finland, but one of the most significant is the committee system, which includes both permanent groups[83] and temporary or *ad hoc* groups[84]. Though tracing its roots to 'state committees' established under Swedish rule in the 17th century (Rainio-Niemi, 2010), the committee system has evolved over time, its rapid expansion fuelled by the growth of

[83] Boards, councils, and delegations.
[84] Commissions are temporary groups established by the government and committees are temporary groups established by a ministry (Numminen, 1999).

the welfare state in the 1960s and 1970s—particularly in the Ministry of Education and the Ministry of Social Affairs and Health (Helander, 1979; Nurminen, 1999; Rainio-Niemi, 2010). The development of tripartite negotiation in the 1960s (Section 5.3.2), further institutionalised the incorporation of interest groups; the two arenas—committees and incomes policy agreements—became closely interlinked, giving labour market actors a significant voice in policy-making (Arter, 1987; Helander, 1979; Rainio-Niemi, 2010). The committees serve a number of functions: producing reports, policies, and legislation; providing a platform for the exchange of knowledge and expertise; anticipating and resolving resistance in order to ensure smooth policy implementation; and providing a channel of participation, and potentially influence, to interest groups (Nurminen, 1999; Rainio-Niemi, 2010, p. 242).

Despite some decline in 'state committees', and a decline in formal, systemic consultation, according to Rainio-Niemi, "the most powerful associations…have not lost much of their influence" (2010, p. 262). The evidence in the education sector bears out Rainio-Niemi's argument. According to the OAJ's records for ongoing committees, commissions, or councils or those which have concluded their work within the last calendar year, the OAJ is currently represented in over 150 consultative groups[85].

Though none of these features—broad governing coalitions, the resulting broad alliances, nor consultative bodies—have a direct bearing on the reforms under investigation in this case study, they provide important context that should not be overlooked. Consultation defines both the general patterns of education decision-making (AF, 3) and the particular character of the OAJ (AF, 5). The fact that various actors—employer associations, employee associations, and government representatives—are in frequent contact means that negotiating parties know one another well and work together frequently. But it also means that discrete interactions are part of a broader set of

[85] Internal communication with OAJ

interactions and occur within a long-term relationship. These institutionalised relationships create incentives for cooperation that inform the bargaining process in important ways. These routines and procedures are a significant piece of the actors' interaction orientations (AF, 8) and provide the underlying context that informs the negotiation of the new salary system.

5.2.2 Paradox of Control: Shifting Balance of Central Control and Local Authority

Any discussion of the general patterns of education decision-making (AF, 3) in Finland is incomplete without emphasizing decentralisation. First, the distribution of policy-making authority vis-à-vis decentralisation determines the relevant unit of analysis. Second, though the national level—central negotiation—is the primary focus, it must be understood in the context of the shifting landscape of governance. The relationship between the state and municipalities in Finland has been a dynamic one, with the relative authority of the central state and autonomy of municipalities varying over time (Finnish Work Environment Fund, 2008; Pesonen & Riihinen, 2002). From the late 1980s, there was a marked turn towards giving more autonomy and responsibilities to municipalities (Niemi, 2012; Pesonen & Riihinen, 2002). Finland must be understood as a country that has preserved a role for local decision-making in the context of a strong central state (Salminen, 2008). Understanding the nature of municipal authority is significant to this inquiry as partial decentralisation of negotiations was a significant component of the reform. These broader shifts created pressure, or at least a precedent, for the salary reforms. The shift of decision-making authority as well as financial responsibility to municipalities through the 1990s created pressures for municipal employers to have greater influence over teachers' salaries. Thus, decentralisation significantly informs both the general patterns of decision-making (AF, 3), but also the reform process itself (AF, 2).

Though Finland is often labelled a 'planning state', the planning state was a modern phenomenon—a response to the demands of welfare state development in the 1960s. Historically, from the period of Swedish rule, local government in Finland had significant autonomy and authority, which was vested first in churches and then in local councils (Pesonen & Riihinen, 2002; Pulma, 1999; Salminen, 2008). However, the municipalities sometimes chose to ignore central mandates, which resulted in uneven policy-implementation[86] (Pulma, 1999). So, when the welfare state was being developed, the central state expanded its powers (Rainio-Niemi, 2010; Waris, 1964). By the 1970s, comprehensive planning in Finland had produced a "jungle of central government subsidies"; though there were some efforts to give municipalities more flexibility, far-reaching control mechanisms remained through the 1980s in order to ensure uniform implementation of social policy throughout the country (Pulma, 1999).

However, the strengthening of the central 'planning state' was not permanent and began to reverse course in the 1990s, in the face of the severe economic recession (Niemi, 2012; Pesonen & Riihinen, 2002). In 1986, a committee report on the decentralisation of administration was published which framed the restructuring of Finland's large public sector (Ahonen, 2002; CR 1986, as cited in Kivirauma, Rinne, & Seppännen, 2003). The committee report eventually produced a series of legislative changes. The Free Municipality Experiment Law (1988) abandoned the highly detailed and focused steering regulations, which were seen as too slow, too bureaucratic, and too tightly-regulated (Rinne, Kivirauma, & Simola, 2002; Simola, Rinne, & Kivirauma, 2002). Municipalities were given greater control of their budgets in 1993 and the autonomy of municipalities was established in the Municipal Administration Act of 1995 (Pulma, 1999, p. 171). According to Salminen (2008), the reforms gave municipalities more freedom and fewer resources.

In education, decentralisation has been identified with the 'culture of trust' (Aho, Pitkänen, & Sahlberg, 2006), and was a product of three types of changes: legislation, budgeting, and curriculum. Legislation in 1991 linked school funding to the number of pupils who attended and in

[86] For example, the provision of basic education through the 1950s.

1992 the law that regulated the maximum distance between a student's school and home was abolished[87]. The final piece of legislation that formalised the decentralisation of educational decision-making was the Basic Education Act of 1999, which shifted the authority for the provision of the comprehensive system to municipalities and increased their decision-making power; for example, it abolished any central regulations on class sizes (Ahonen, 2002). The law also required accountability of individual schools and information to be provided to parents about the schools' performance (Ahonen, 2002).

The move to link school funding to the number of pupils which was legislated in 1991 was a part of a larger movement towards 'lump sum budgeting' (Ahonen, 2002). Prior to the 1990s, municipal funding had come with specific earmarks; beyond determining how much of the budget would be spent on education versus healthcare, the earmarks often specified how much funding should go to school lunches, how much to books, and how much to building maintenance (Rinne, Kivirauma, & Simola, 2002).

The final component, alongside legislation and budgeting, of the decentralisation of education was the change in national curriculum. In 1994 a new curriculum was adopted which, rather than being a detailed, prescriptive guide to what should be taught in schools, was a framework of the goals of education which were then specified at the municipal and school level (Ahonen, 2002). Furthermore, the framework curriculum allocated fewer hours to compulsory subjects and more hours to optional subjects which gave schools and municipalities more space to create 'distinct profiles' in terms of what they would offer within those optional hours.

A common explanation for decentralisation—given its correlation across Europe with the economically turbulent 1980s and 1990s—has been shifting the responsibility for difficult decisions and cuts away from the central state (Rinne, Kivirauma, & Simola, 2002; Simola, Rinne, &

[87] Together these laws made it economically necessary and legally possible to close small schools (Ahonen, 2002).

Kivirauma, 2002). Evidence in Finland in the 1990s lends support to this explanation. Shrinking education budgets prompted difficult decisions—like closing small, economically unsustainable, schools—that were more politically legitimate when made at the local level (Rinne, Kivirauma, & Simola, 2002).

Regardless of the goals or effects—in terms of the provision of public education—two significant points on local authority are significant to the salary system reforms from 2002-2007. First, local authority and autonomy and a belief in the competence of local bureaucracy have a long and established history in Finland. Second, the significant devolution of responsibilities—including education—to municipalities that occurred in the 1990s stood in sharp contrast to the way that teachers' compensation continued to be highly centrally-determined. Local authorities were responsible for administering schools and appointing teachers—either through municipal boards, school boards, or principals—and were also primarily responsible for funding public education with local tax revenues financing, on average, 58% of all pre-tertiary education (Sahlberg, 2011). But through 2007 the salaries and conditions of teachers were almost exclusively determined by the centrally negotiated agreements. Decentralisation had significant implications for both the general patterns of education decision-making (AF, 3) as well as the reform process itself (AF, 2).

5.2.3 Conclusion

The general patterns of education decision-making are informed by three features: a consensus-orientation evidenced in both formal rules and routines and procedures; decentralisation of authority and responsibility; and collective bargaining (which will be addressed in Section 5.3). In addition to structuring the decision-making process, these features inform the opportunity structure for union participation and the nature of relationships between key actors. They provide the background against which the foreground of reform will unfold. Though the reform process centred on the bargaining arena, the scope of OAJ's influence and incorporation can only be grasped by considering the full-range of their avenues for influence—including the political sphere. With this in mind, Section 5.3 will turn to a closer consideration of the particular character of unionisation in Finland (AF, 5).

5.3 Trade Unions in Finland

The problem-oriented questions that guide this research deal with reform outcomes—why was PRP reform successful in some cases but not others?—but are also specifically interested in the role of teachers' unions in those processes. As will become increasingly clear, the teachers' union was a key actor in the introduction of the 'new salary system' in 2007. The previous section outlined some of the general patterns for education policy-making. This section will continue that discussion—introducing collective bargaining in 5.3.2. It will also shed light on the particular character of unionisation in Finland (AF, 5), attending to the general character of the labour movement in Finland before turning to the particularities of the OAJ in Section 5.4.

Finland is currently one of the most unionised countries in the world—rivalled only by Sweden—with 78% of wage and salary earners belonging to unions and nearly 90% covered by collective bargaining agreements (Finnish Ministry of Labour, 2003). However, unlike Sweden and its Nordic neighbours, due to its historical circumstances and the lingering scars of the brief Civil War that divided the newly born country in 1918, the labour movement in Finland did not emerge as a significant political force until after World War II (Rinne, 1964). Though a detailed history of the labour movement is beyond the scope of this dissertation, a brief overview will help to illuminate the particular character of Finnish labour unions.

5.3.1 Trade Union History

Though the first trade union was founded in 1907, unions were marginal players—particularly relative to their importance in contemporary Finland—through the 1940s (Bruun, 2005; Rinne, 1964). The weakness of unions throughout industrialisation may be linked to the legacy of the Civil War of 1918 and the lingering divisions between social democrats and communists which affected union organisations for decades (Ornston & Rehn, 2006; Arter, 1987). Though late-emerging, trade unions in Finland have become a significant and stable part of the Finnish policy-making landscape (Böckerman & Uusitalo, 2006).

The first general agreement was signed in 1944 and the labour movement strengthened considerably in the late 1960s and early 1970s, fuelled by the establishment of tripartite negotiation, or the 'TUPO' system, in 1968. In 1970, the right to collective bargaining was also officially extended to the public sector, which was a significant boon to AKAVA, the peak association that represents all 'professional' workers. Finland's 70 trade unions are organised into three central confederations—The Central Organisation of Finnish Trade Unions (SAK), the Finnish Confederation of Salaried Employees (STTK), and the Confederation of Unions for Academic Professionals in Finland (AKAVA). SAK organises around 1 million workers; STTK is the organisation of white collar workers and has 643,000 members; and AKAVA represents 424,000 professionals and academically educated workers including teachers, doctors, and engineers (Böckerman & Uusitalo, 2006). Though there has been some decline for the membership of SAK and STTK post-1990[88], membership in AKAVA—the peak association of which the OAJ is a member—has held steady or increased (Komsi, 2010, p. 13).

Though unions in Finland were relatively weak through the end of World War II, their growth has been significant since the establishment of tripartite negotiation in the late 1960s—a significant strategy of the 'planning state' that built the Finnish welfare state (Alaja, 2011). Tripartite negotiations were seen as a way to regulate the labour market but also to develop social policy and protection (Alaja, 2011). Though tripartite negotiations were the cornerstone of union development in the era of the 'planning state', collective bargaining in Finland has evolved since the

[88] This decline has been attributed to a shift away from the ghent-system and the establishment of an independent 'general unemployment fund' (*Yleinen työttömyyskassa YTK*) created in 1992 (Böckerman & Uusitalo, 2006).

1970s. Consistent with both international trends as well as Finland's shift from away from strong central-planning, collective bargaining in Finland has become more decentralised and multi-layered (Bruun, 2005; Nomden, Farnham, & Oonnee-Abbruciati, 2003). The evolution of collective bargaining in Finland—with particular attention to bargaining in the public sector, and the municipal sector in particular—will be the focus of the next section.

5.3.2 Collective Bargaining in Finland

Collective bargaining in Finland is multi-level and is also notable for its extensive scope. Both features are significant to understanding the patterns of decision-making (AF, 3), the character of unions (AF, 5), and the reform process (AF, 2).

Turning first to the scope of bargaining, Section 5.2.1's discussion of consultation and consensus-orientation is insightful. At its peak, the line between negotiation, legislation, and policy-making was blurry (Bruun, 2005). The legacy of this comprehensive and inter-related view of policy-making and negotiation has resulted in a relatively broad view of the scope of bargaining. Negotiation, rather than being isolated and exclusively concerned with zero-sum distributional issues, is—according to several interviewees— fundamentally linked to curriculum, legislative, and policy changes (Local_B.Employer; OAJ.President).

Second, collective bargaining in Finland's TUPO system[89] occurs at multiple levels; the relative significance of each type of agreement—central framework agreements, nation-wide sectoral agreements, and 'firm-based' agreements—have changed over time. The general trend in Finland from the 1990s onwards—mirroring patterns across Europe (Nomden, Farnham, & Oonnee-Abbruciati, 2003)—has been towards greater decentralisation and more firm-level autonomy and decision-making in the private sector. In the public sector, the best way to describe decentralisation trends is 'delegation within a framework' (Karlson & Lindberg, 2011); the

[89] Though there are contemporary questions about the future of the TUPO system, through 2007, the period of interest in this case, the TUPO system was firmly in place (Alaja, 2011).

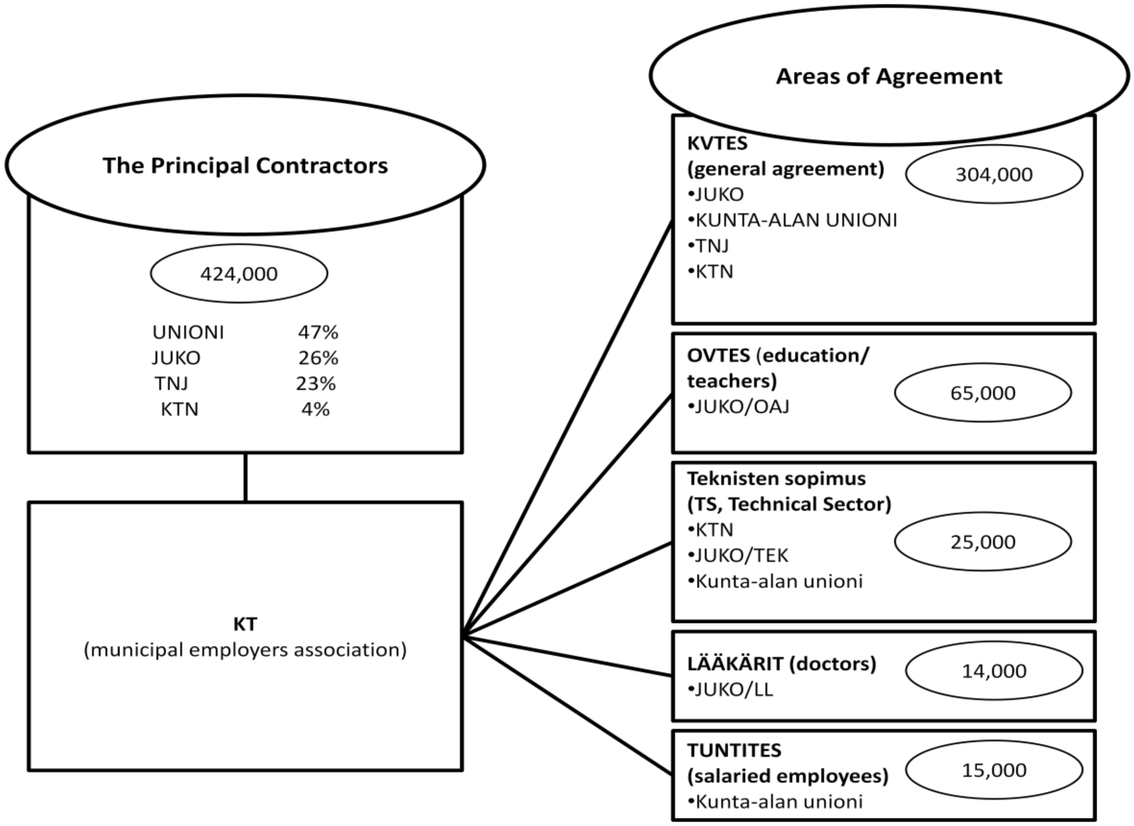
dominant bargaining level has not necessarily changed, but more elaboration and interpretation occurs at local levels.

Before turning to the way ‘delegation within a framework’ has evolved in Finland’s municipal sector, the details of municipal sector bargaining require further elaboration (Figure 5.2). In the municipal sector—where 88% of employees are unionised, compared to 80% in all of Finland[90](Kunnallinen Työmarkkinalaitos, 2012)—the situation is complex. The municipal sector agreement is not one agreement, but five. Kunnallinen Työmarkkinalaitos (KT) represents municipal employers and negotiates five major sectoral agreements with the various organisations that represent municipal employees. The General Collective Agreement (KVTES) covers 72% of municipal employees (Kunnallinen Työmarkkinalaitos, 2012). Teachers, doctors, the technical sector, and hourly employees each have their own agreement which they negotiate with KT[91] (KT.Social_Scientist; OAJ.Negotiator.2). However, though teachers have their own agreement, many aspects of the KVTES agreement still apply to teachers. So the KVTES agreement provides the general working conditions for all municipal employees unless specifically negotiated within the other agreements (OVTES, TS, LS) (OAJ.Negotiator.2).

[90] Since 1971, all non-unionised employees fall within the scope of the agreement if it is deemed ‘generally applicable’ (Ministry of Labour, 2003).

[91] Teachers got their own agreement in 1984 after a strike; other employee groups followed their lead and demanded their own contracts as well.

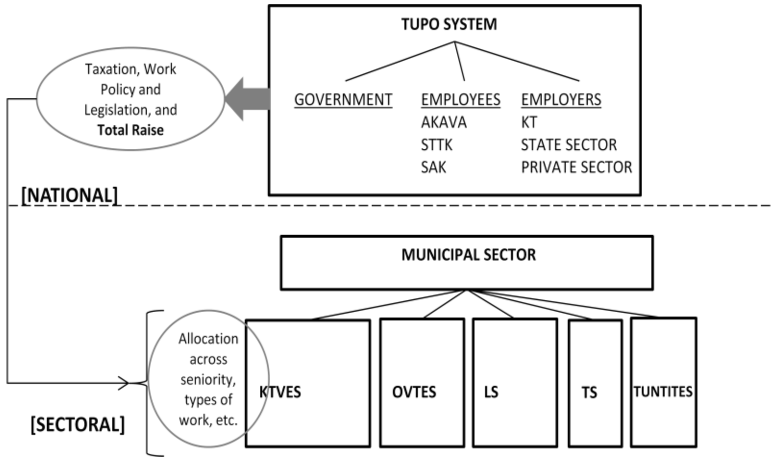
FIGURE 5.2: Collective Bargaining in the Municipal Sector[92]



Prior to 2007, delegation to the municipal sector—in terms of the OVTES contract—was relatively limited (Figure 5.3). The centrally-determined raises were negotiated for teachers (OVTES), allocating the wage increases based on seniority, types of work, or other criteria.

[92] Author's translation of OAJ internal document produced in collaboration with union staff.

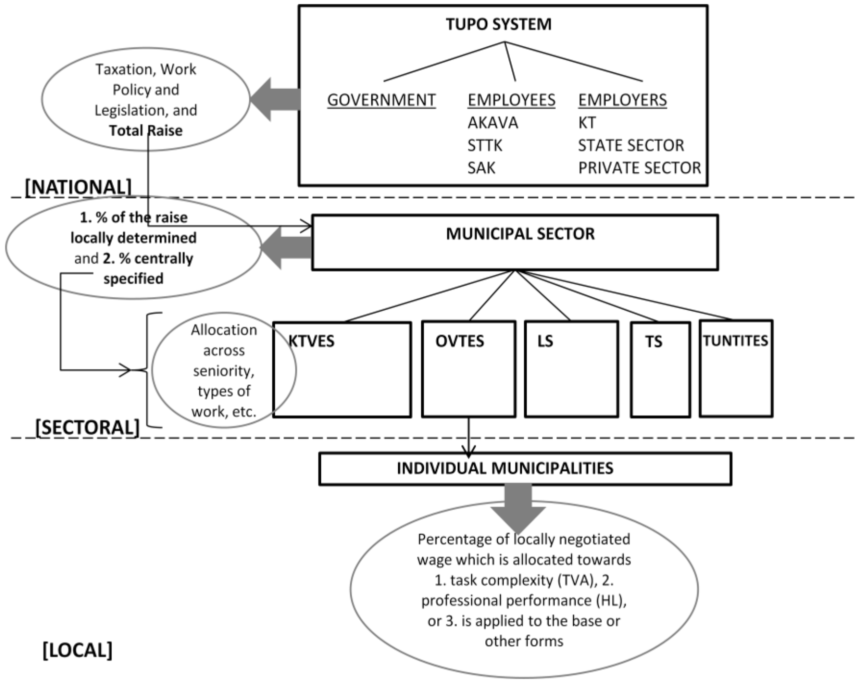
FIGURE 5.3: Multi-Level Bargaining in the Education Sector Pre-2007



However, though this system (Figure 5.3) described OVTES negotiations until 2007, the rest of the municipal sector was far more decentralised by the early 2000's, mirroring decentralisation in the private sector and broader reforms of local governance (outlined in Section 5.2). After legislation in 1993 expanded municipal bargaining rights (Bruun, 2005; Finnish Ministry of Labour, 2003), the technical sector agreement (TS) introduced more local bargaining as well as a new evaluation and reward system in 1995.The general KVTES agreement and the doctors' agreement followed suit in 2001 and 2002 respectively. However, despite changes in other municipal sector agreements and despite policy changes that gave municipalities more autonomy and responsibility, the OVTES agreements were not decentralised. Local negotiation and new evaluation and reward systems that had been in place in other municipal agreements since the mid-1990s were not realised until the new salary system was implemented in 2007.

Thus the effect of the KUNPAS agreement in education was to further delegate decision-making in the education agreement to individual municipalities, bringing it in line with the practices across the other agreements (Figure 5.4). The centrally-negotiated raise was sub-divided into two components—one that was assigned at the municipal sector level, just like the old system, and a second which was locally determined.

FIGURE 5.4: Further Delegation and Decentralisation Post-2007



5.4 The OAJ

In terms of formal institutions, the OAJ is extensively included in decision-making processes through both negotiation and consultation. Over 95% of teachers are represented by The Trade Union of Education (OAJ). With over 118,000 members in 2009, OAJ is the sixth biggest trade union in the country (OAJ, 2009). By all traditional measures, the OAJ is strong.

However, the influence that teachers' unions bring to bear in these processes is also linked to more informal norms and routines. As much as it is constrained or enabled by institutional access, the OAJ's strength is equally a function of its professional (Section 5.4.1) and organisational resources (Section 5.4.2) (Sahlberg, 2011). These features impact the OAJ's 'policy style', identity, and internal capacity (AF, 9).

5.4.1 Professionalisation of Teachers

The teaching profession is highly-regarded in Finland (Niemi, 2012; Sahlberg, 2011). Finland's recent PISA success has been attributed to the high-quality of the teaching corps and the rigorous training they receive (Rautalin & Alasuutari, 2007). However, the respect for teaching in Finland precedes its international acclaim (Niemi, 2012; Sahlberg, 2011). Finnish teachers' professional prestige springs from three roots. First, professionalism is rooted in the high societal value placed on education. Second, teachers' prestige has historical roots as the position was linked to significant civic leadership and a public-serving ethos since the 19th century. Third, teaching in Finland has been successfully established as a formal profession with high standards for training and high barriers to entry.

Public education emerged in the 1860s, and from its first days it was closely connected to Finland's national aspirations—a kind of 'hidden politics' through which Finns could prepare for independence from Russia, according to J.V. Snellman (Niemi, 2012). Despite low salaries and a lack of formal training for teachers through the 19th century and a lack of formal training, in small villages with farming traditions, even elementary teachers were 'highly educated' (J. Rantala, personal communication, January 17, 2013). Because of this, teachers were often leaders with significant 'social capital' in rural communities; serving as civic leaders involved in local government and the co-operative movement (Niemi, 2012).

Cygnaeus, the founder of elementary education, promoted a view of teachers as "candles of the nation" (Niemi, 2012, p. 21)—bringing the light of the state and nation-building to rural children. In this vein, Cygnaeus promoted an idea of teachers' 'model citizenship' (J. Rantala, personal communication, January 17, 2013). One element of this idea was that teachers did the work because of a sense of vocation, *not* because of salaries; teachers were paid an intentionally low salary to reinforce this idea of vocation and to ensure that teachers were connected to the people they serve (J. Rantala, personal communication, January 17, 2013).

With industrialisation and other societal shifts from the 1930s-1950s, teachers began to demand conditions that were consistent with a more 'formal profession' (J. Rantala, personal communication, January 17, 2013). As teachers moved from rural areas to cities, they began to think of themselves less as the 'nation's candles' and more as civil servants. Thus, they began to demand to be treated—and compensated—accordingly. The fact that men were paid 10% more than their female counterparts was no longer acceptable to teachers. The shift in teachers' professional ideology—from Cygnaeus' 'model citizenship' vocation to a civil servant conception—can also be seen in the development and evolution of teachers' associations in Finland. Though the Teachers' Association in Finland represented around 50% of the nation's teachers in 1919, by the 1950s, around 80% of teachers were organised. In 1958, teachers began to demand equal pay for equal work (J. Rantala, personal communication, January 17, 2013).

The second big shift in the advance of teachers' professionalism was in reforming teacher training and qualifications. Despite the fact that teachers began demanding better salaries, in the 1960s, primary teachers (class teachers) were still only prepared for two to three years in teachers' education seminaries. Lower- and upper-secondary (subject) teachers, on the other hand, were trained in their respective subject departments at universities (Sahlberg, 2011). The 1979 Act on Teacher Education moved all teacher education programmes to universities and established a master's degree as the basic qualification to teach in Finnish schools (Sahlberg, 2011).

While comprehensive school reform facilitated OAJ's organisation-building, the establishment of Finnish teacher education as an academic discipline was a significant boon to teachers' professionalism[93]. Prior to reform, primary teachers (called classroom teachers) were prepared in teacher colleges or special seminars outside of the academy. Lower- and upper-secondary teachers (subject teachers) studied in their respective subject departments within Finnish universities.

Sahlberg (2011) argues that raising the minimum requirement for permanent employment to a master's degree and affirming teacher education as a scientific disciplined established teaching as a profession—in contrast to the semi-professional status it holds in many other nations: "The seeds were sewn for believing that the teaching profession is based on scholarly research" (p. 78). Teacher education reform also facilitated the unification of primary teachers and lower- and upper-secondary teachers (Sahlberg, 2011). It also continues to serve as the foundation for teachers' justifications—which were evident throughout interviews (Local_A.Employer; Local_B.President; Local_B.Shop_Steward)—for higher salaries.

However, despite the fact that teachers in Finland now all have master's degrees, Finnish classroom teachers still earn less than subject teachers (Table 5.5)—differences rooted in historical development of the school system and evolution of the teaching profession.

[93] It is worth noting that OAJ played a significant role in the negotiation of both comprehensive and teacher education reforms (Rautalin & Alasuutari, 2007).

TABLE 5.5: Teachers' Compensation[94] in Finland, (OECD, 2011a)

	Starting salary/ minimum training	Salary after 15 years of experience/ minimum training	Salary at top of scale/ minimum training
Primary education ('classroom teachers')	**32,692**[95]	**41,415**	**50,461**
Lower Secondary education (subject teachers)	34,707	44,294	54,181
Upper Secondary education (subject teachers)	*35,743*	*49,237*	*61,089*

Class teachers' lower pay should not be interpreted as a lower social standing or prestige for these teachers. Teachers in Finland enjoy a high-level of respect; each year the university teacher training departments receive eight times as many applicants for the class teacher programme as they have available slots (Niemi, 2012; Sahlberg, 2011). The prestige of the teaching profession is a significant component of their influence in Finnish society (Niemi, 2012); teachers are regarded as an independent profession on equal footing with doctors, lawyers or economists which is driven "mainly by moral purpose, rather than by material interests or rewards" (Sahlberg 2009, p. 2-6). However, these compensation differences are inter-linked with the history and development of the salary system (discussed in Section 5.5.3).

The professional standing of teachers in Finnish society critically informs their potential influence in policy-making processes—reflecting both a resource as well as a potential restraint on the OAJ's influence. Because teachers are respected, the union may have more influence than other societies. However, the union's strategies, tactics, and 'policy style' may also be informed by efforts to maintain that level of respect.

[94] Comprehensive education includes primary education and lower secondary education. Upper secondary teachers' salaries are included for reference, but they are beyond the scope of this analysis.
[95] Salaries are converted using PPPs.

5.4.2 Teachers' Union Organisation

In terms of organisational development, the teachers' unions' growth paralleled the broader union movement's (Section 5.3) as well as the emerging professional aspirations and demands of teachers outlined in the previous section. The OAJ's organisational development also provides insights into its internal capacity and the development of its goals and strategies.

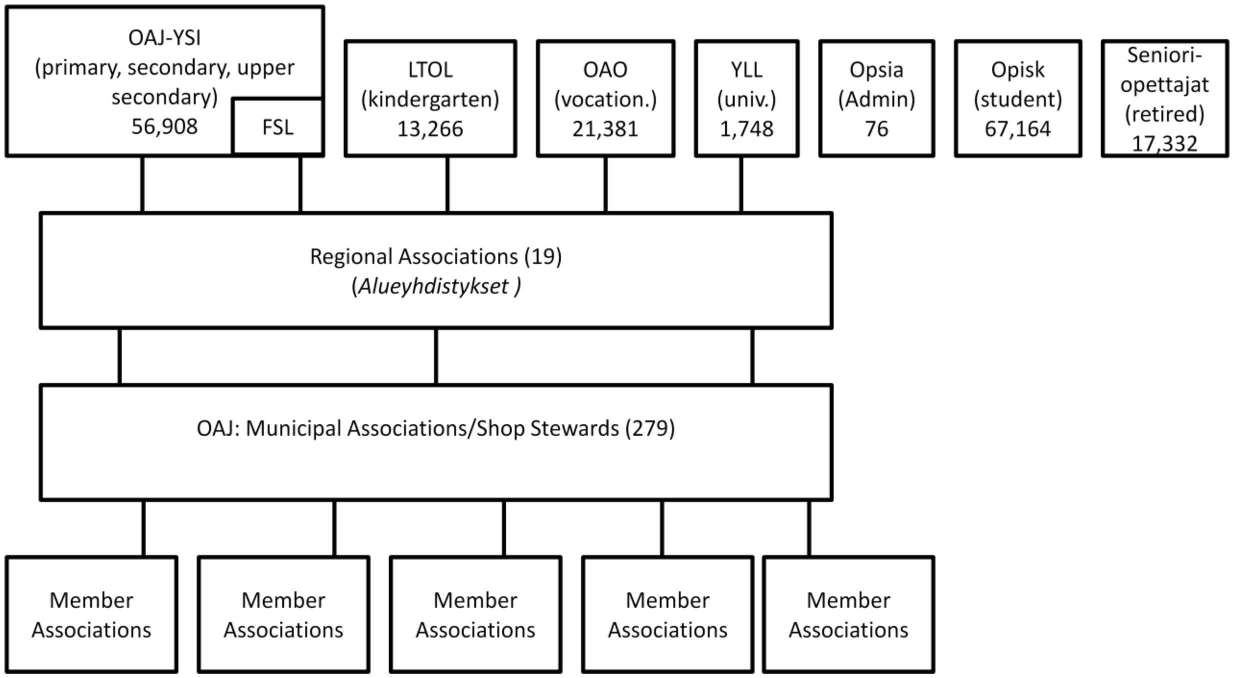
Finland's comprehensive school system was established in the 1970s. Its origins and development were a fundamental part of the tectonic shifts that occurred in Finnish society from 1950-1970. The idea of the comprehensive school was promoted by a coalition of the national union of elementary teachers[96], the political left, and the Centre party[97]. After parliament unanimously approved the recommendation of a committee for comprehensive education in 1967 (CR 1966, as cited in Kivirauma, Rinne, & Seppännen, 2003), comprehensive reform was initiated in Lapland in1972 and completed in 1979, only one year behind schedule (Sahlberg, 2011). One significant effect of comprehensive education was that teachers who had previously worked in different schools—and often with students with different abilities—found themselves working in the same school. This move from a segmented to a unified system mirrored the changes in the teachers' union organisational landscape. One year after comprehensive education reform was initiated, in 1973, the primary teachers' organisation and secondary teachers' organisation merged to form a joint organisation—the OAJ. In 1984, after a strike by the primary and secondary teachers demonstrated the OAJ's influence, the consolidation of existing teacher organisations accelerated. Though there were over a dozen organisations in 1984, the next 10 years featured rapid mergers[98] and by 1995, OAJ became the representative union for the whole field of education[99].

---

[96] Primary and secondary teachers maintained their own unions in large part due to their disagreement over comprehensive education.
[97] Finland's rural or agrarian party.
[98] College and university lecturers and adult education teachers joined the OAJ in 1985; vocational, business education, music and technical institution teachers joined in 1988; and kindergarten teachers joined in 1991.
[99] OAJ powerpoint and conversation with informant.

Though the organisations merged, the original organisations and their unique identities were not dissolved by the merger. Each group[100] maintains its own organisation under the OAJ umbrella (see Figure 5.6).

FIGURE 5.6: OAJ, A Multi-tiered Organisation (Membership figures on 1.1.2011)[101]



Centrally, each member-group has a voice in union governance (see Figure 5.7). All of these associations are represented on both the OAJ's 150 member Council (Valtuusto) as well as the 21-member Executive Board (Hallitus). Both elected representative bodies are also selected to reflect regional and organisational diversity. In practice, this means that the central union organisation is responsible for representing a diverse set of preferences in national-level negotiations with KT.

5.4.2 Conclusion: Particular Character of the OAJ?

According to all three measures of strength resources—political, organisational, and professional—the OAJ appears strong. Together, these features provide a composite picture of the

[100] The Association of Kindergarten Teachers (LTOL), the Finnish Trade and Culture Teachers (SKO), the Finnish Music Teachers Associations (SMOL), the Adult Teachers' Association (AKOL), the teachers of technical colleges (TOOL), commercial and specialist teachers (LEO), and teachers of the deaf and blind (KSOL)
[101] Author's translation of OAJ presentation produced in collaboration with union staff

OAJ's internal and external capacities. But how were these resources deployed in the 2007 reforms? Was the OAJ opposed to the changes, and if so, why did not it block them? Why was reform possible in Finland? What might it suggest about why PRP reform has not occurred elsewhere? Answering these questions requires specific attention to the process through which the changes were designed and implemented. The historical and institutional context of Finland provides the clues essential to contextualising and understanding what happened.

5.5 What Happened?

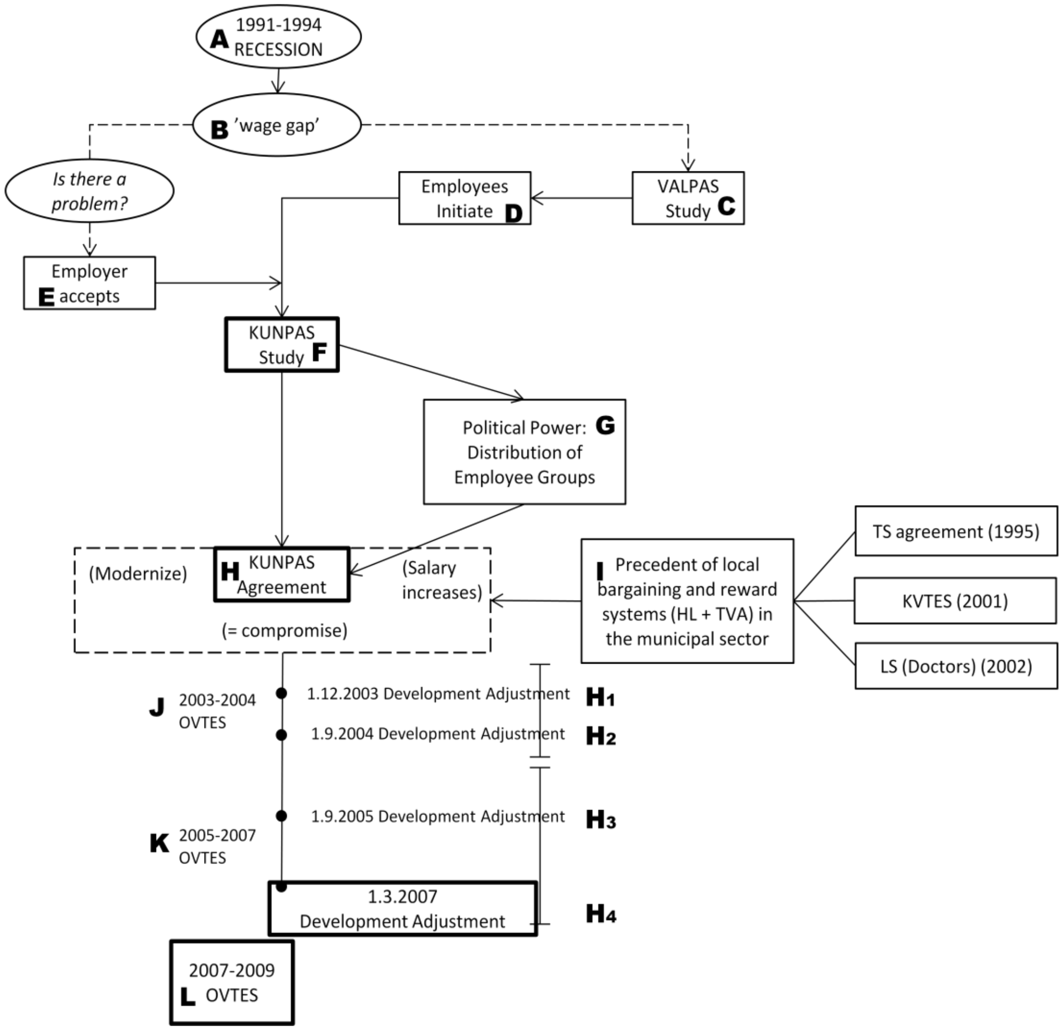
An explanation of the new salary system (Section 5.6) must be grounded in the historical background (Section 5.5.1), the differences between the new and old systems (Section 5.5.2), and their significance within the Finnish context (Section 5.5.3).

5.5.1 Overview

At the beginning of the 21st century—on the heels of the 1991-1994 economic recession and decentralisation— many perceived that the wages of public sector workers had fallen behind private sector wages (**A,** Figure 5.7) (Local_C.Union_Leader ; OAJ.Negotiator.2). The municipal employees[102] wanted to undertake a study to determine the severity of the wage gap between private sector employees and public sector workers who were employed by municipalities (**D**, KT.Social_Scientist). The employee associations' idea for the study was likely prompted by a similar study that had been conducted in the state sector (KT.Social_Scientist; OAJ. Social Scientist). The 1987 collective agreement in the state sector created a working group[103] to investigate salary levels in the state sector compared to the private and municipal sectors. Two years later, this group produced the 'VALPAS study' (**C**) (Holm, Tossavainen, Tuomala, & Valppu, 1999).

[102] AKAVA-JS (now JUKO), TNJ, TEHY, KVL, KTN, and OAJ collaborated with KT on the study (Heiskanen, et al., 2001).
[103] Including representatives from the state, AKAVA, STTK, and VTY.

FIGURE 5.7: Finland's New Salary System Reform Timeline



At the initiative of the employee associations in the municipal sector, a similar working group was part of the municipal sector's collective agreement in 2000 (Heiskanen, et al. 2001). The employees argued that public sector wages lagged behind the private sector which would create challenges to attracting and retaining employees; in education, a significant portion of the workforce was projected to retire which could produce a teacher shortage, the OAJ argued, if salaries were not improved (OAJ.Negotiator.1). Though the employers (KT) knew that research demonstrating a wage gap would create pressure for employers to increase salaries, they also wanted to "assess the situation" (KT.Social_Scientist), knowing that a significant wage gap *could* produce shortages of qualified employees or create other problems (**B, E**) (KT.Social_Scientist).

> In the years to come, the municipalities and the communities will have to compete for workforce in the labour market…The staff policies of the municipalities need to focus on preparing for future challenges…the profitability of the organisation and the ability to present the municipality as an interesting and inspiring employer. (Kunnallinen Työmarkkinalaitos, 2001)

> During the negotiations for collective agreements, the parties acknowledged that they share the objective of securing the competitiveness of the municipal jobs and the availability of competent employees in the coming years. The parties were to start a statistical survey on the wage levels as well as the terms and conditions of employment in the municipal sector, and compare the results with the rest of the labour market. (Kunnallinen Työmarkkinalaitos, 2002a)

The employers and the unions worked together on the study with *Tilastokeskus* (Statistics Finland)—who functioned as the neutral party responsible for the research (**F**). The resulting 'KUNPAS' study, published in December of 2001 (Kouvonen & Suoperä, 2001), found that there was, on average, a 7-8% wage gap (Kunnallinen Työmarkkinalaitos, 2002a).

The response to the 'wage gap problem' identified by the KUNPAS study was the 2003-2007 Salary Development Agreement (**H**) for Municipal Employees between KT and its negotiating partners—UNIONI, JUKO[104], TNJ, and KTN—giving municipal employees about a 3-4% raise over the course of the four years[105] (Kunnallinen Työmarkkinalaitos, 2002a**;** Kunnallinen Työmarkkinalaitos, 2002b; KT.Negotiator.1; KT.Social_Scientist). These raises were over and above the TUPO raises centrally negotiated in tripartite negotiations; because these raises applied to all

[104] *Official bargaining agent of AKAVA—including the OAJ*

[105] These raises were over and above the TUPO raises centrally negotiated in tripartite negotiations; because these raises applied to all sectors, public employees would never catch up on TUPO raises alone (KT.Social_Scientist; OAJ.Negotiator1; OAJ.Negotiator2).

sectors, public employees would never catch up based on TUPO raises alone (KT. Social Scientist; OAJ.Negotiator1; OAJ.Negotiator2).

The KUNPAS study strengthened the position of employees to demand raises. However, the Salary Development Agreement also provided an opportunity for employers to accomplish one of their long-standing objectives—to 'modernise' the salary system (KT.Social_Scientist). In 2001, KT published a report on staffing strategies and human resource management (HRM) which included an emphasis on 'motivational reward systems':

> The aim of rewards and incentive bonuses is to encourage the development of versatile professional skills, collaboration and the improvement of work…Both individuals and working communities must be encouraged to improve their results, service quality and initiative.
>
> Municipal collective agreements are adapted locally so that one's wage is based on the demands of the task, the office-holder's or employee's work experience, individual results, and the profitability of the working unit in question. (Kunnallinen Työmarkkinalaitos, 2001)

The perceived need for this modernisation was especially acute in terms of teachers' salaries. Though some changes had been made to the general municipal agreement, KVTES for example; teachers (OVTES) had resisted these changes (KT.Social_Scientist). However, in the employer's view, as a general principle, you need money to restructure wages; you could not start by lowering salaries (KT.Social_Scientist). So KUNPAS provided a strategic opportunity for the employers to 'buy' the changes. What did 'modernizing' the salary system look like in the Finnish context?

5.5.2 Modernisation of Teachers' Salaries in Finland

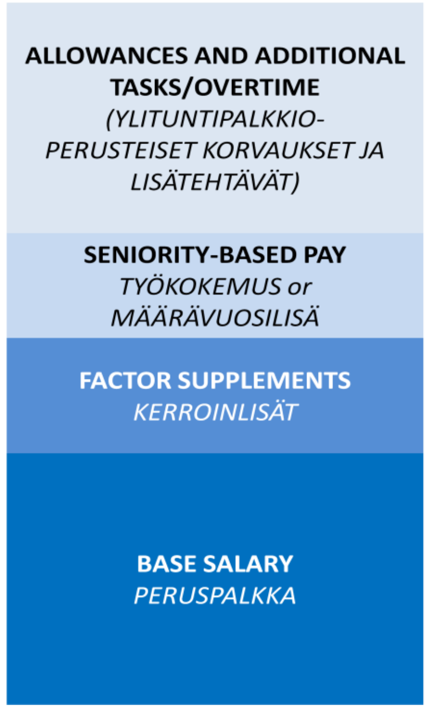
In order to understand what was new (Section 5.5.2b) and why it was significant (Section 5.5.3), one must understand the 21st century salary system, which had been in place, with few modifications, for decades (Section 5.5.2a).

5.5.2a The Salary System Pre-2007[106]

Entering the 21st century, teachers' salaries in Finland were determined by a number of factors (See Figure 5.8). The building-block for all teachers' salaries was the 'base salary' (*peruspalkka*). The base salary was linked to a prescribed number of lesson hours that a teacher had to teach in order to receive his or her full salary. Then, any additional lessons earned the teacher supplemental compensation (*Ylituntipalkkioperusteiset*). Teachers also received raises based on their years of experience (*työkokemus*). Because all teachers in Finland now receive a master's degree in order to be certified, education level was not a differentiating factor for most teachers.[107]

[106] Understanding of the Finnish salary system has been developed in collaboration with a wide-variety of interviewees as well as informants. This section draws heavily on those conversations.
[107] However, the teachers who entered the profession before Teacher Education Reforms in 1979 receive relatively lower salaries.

FIGURE 5.8: Salary System Pre-2007



However, the definition of the base varied according to the type of teacher—whether class teacher or subject teacher and then, according to the *type* of class or subject teacher (grade-level or subject). The system was and is highly technical and complex. While classroom teachers' base salary was linked to 24 lesson hours per week, subject teachers' base ranged from 18 to 24 hours. In practice, the difference between class and subject teachers meant that class teachers had to teach more lessons in order to receive the same compensation as their secondary peers (Section 5.4.1). Many in Finland—particularly the union—see this as a historical remnant of the division between primary and secondary education that is unfair now that all teachers receive the same level of training (Local_A.President; Local_B.Employer).

Under the old system, in addition to supplements for extra hours and years of experience, the OAJ and KT could also agree centrally to attach additional compensation to particular jobs which were deemed more challenging. However, in the old system, all decisions were based on a principle of uniformity—that the "same kinds" of teachers should have the same salaries[108]. So, all salaries were negotiated and determined at the national level which meant that a Finnish class 1 teacher in small town in northern Finland received the same salary as a Finnish class 1 teacher in Helsinki (KT.Social_Scientist). The centralisation of teachers' salaries had persisted even as municipalities were being given more autonomy and responsibilities through the decentralisation reforms of the 1990s (KT.Social_Scientist).

Given the significant portion of education budgets that are allocated to teachers' salaries[109], this was a significant imposition on local freedom and flexibility. Further, it seemed that definitions of 'complexity' or 'challenge' might vary across municipalities (KT.Social_Scientist; Local_A.Union_Leader; Local_B.President; Local_B.Shop_Steward; Local_C.Shop_Steward; Local_A.Shop_Steward; OAJ.Negotiator.1; OAJ.President). As municipalities were becoming more autonomous and also more responsible for the provision of education, in the view of KT, it was harder to justify their inability to make the choices about how to allocate their resources locally (KT.Social_Scientist). 'Modernisation' in the view of KT involved both greater local freedom and decision-making and also the introduction of new approaches to compensating teachers.

5.5.2b The New Salary System

The 2003-2007 Salary System Development Contract (Figure 5.7, **H**), then, could be seen as a bargain in which higher wages were given in exchange for restructuring (Kunnallinen Työmarkkinalaitos, 2002a, 2002b). The agreement promised a 3-4% raise over the course of the four years of the contract in exchange for a series of restructuring changes.

There were three major changes associated with the KUNPAS agreement in order for unions and their employees to receive the 3-4% increase negotiated in the contract (KT.Negotiator). First, teachers' wages had to be transferred to the Euro system, which was a significant undertaking.

[108] Obviously 'same kinds' was open to debate.
[109] Reference data from Employer in Vantaa

Second, some of the decisions regarding wages had to be left to municipalities to decide. Prior to 2007, all of teachers' wages were negotiated centrally. After 2007—starting with the 2007-2009 OVTES agreement (**L**)—a percentage of the total increase would be negotiated centrally as before, but the remaining increase would be left to municipalities[110]. Third, the locally negotiated component of teachers' salaries could be allocated in one of three general ways: it could be applied to the base salary, or in other words, it could be distributed according to the centrally negotiated priorities; it could be distributed on the basis of locally-determined 'task complexity' criteria (TVA); or it could be distributed as a 'personal wage' or on the basis of teachers' 'professional performance' (HL).

From 2003-2007, there were two collective agreements on teachers' salaries: OVTES 2003-2004 (**J**) and OVTES 2005-2007 (**K**). In addition to these agreements, there were several amendments which enacted the changes required by the Salary Development Contract (**H1, H2, H3, H4**) (KT.Negotiator; KT.Social_Scientist; OAJ.Negotiator1). Though the transition to euro-denominated wages had already begun, the amendment that was implemented on 1 March 2007 (**H4**) marks the official beginning of the 'new salary system'—when decentralised negotiation and the use of personal bonuses became a reality (Kunnallinen Työmarkkinalaitos, 2007a). These changes appeared in the centrally negotiated agreement for the first time in OVTES 2007-2009 (Kunnallinen Työmarkkinalaitos, 2007c).

So what changed with the shift from the 'old' to the 'new' salary system in 2007? Was this an important shift in teachers' compensation or simply a reform in name only? Figure 5.9 illustrates the new salary system. Relative to the pre-2007 system (Figure 5.8 above), several differences emerge. But first, three common elements deserve attention. The base salary (*Peruspalkka*, as discussed in Section 5.6.2a) is unchanged from the old to new system. Then, also like the pre-2007

[110] For example, if there was a 2% total increase, 1.3% would be negotiated centrally with the remaining 0.7% left to local negotiation.

system, any additional hours (*Ylituntipalkkio*) earns a teacher additional compensation. The final common component is seniority-based pay (*työkokemus*)[111].

A fourth area of overlap between the old and new system is also a point of important change—the additional compensation that was assigned on the basis of 'task-complexity' (called *vaativuus* or *TVA-osuus* (TVA) in the new system). TVA was not a new idea in 2007. The 'old system' also provided differential rewards for complexity of teachers' work. However, as previously discussed, those rewards were determined exclusively at the central level. Though 'centrally-negotiated TVA' still exists, many of these distinctions were re-evaluated with decision-making moved to the municipal level. For example, a centrally negotiated supplement for 1st class teachers was eliminated in 2007 (KT.Social_Scientist; Local_B.President), leaving individual municipalities and local unions to negotiate about whether to reinstate this supplement[112].

The most significant change in terms of approaches to compensation was the introduction of 'professional pay' (*henkilokohtainen lisä* (HL)). Though professional pay was used in some municipalities prior to 2007, those systems were funded by the municipalities' 'own money'—which refers to additional money allocated towards teachers' salaries over and above the raises that were centrally negotiated. So, the change in 2007 made it possible for municipalities who may or may not have already used HL to use the locally negotiated money that was a part of the centrally negotiated raises towards HL bonuses[113].

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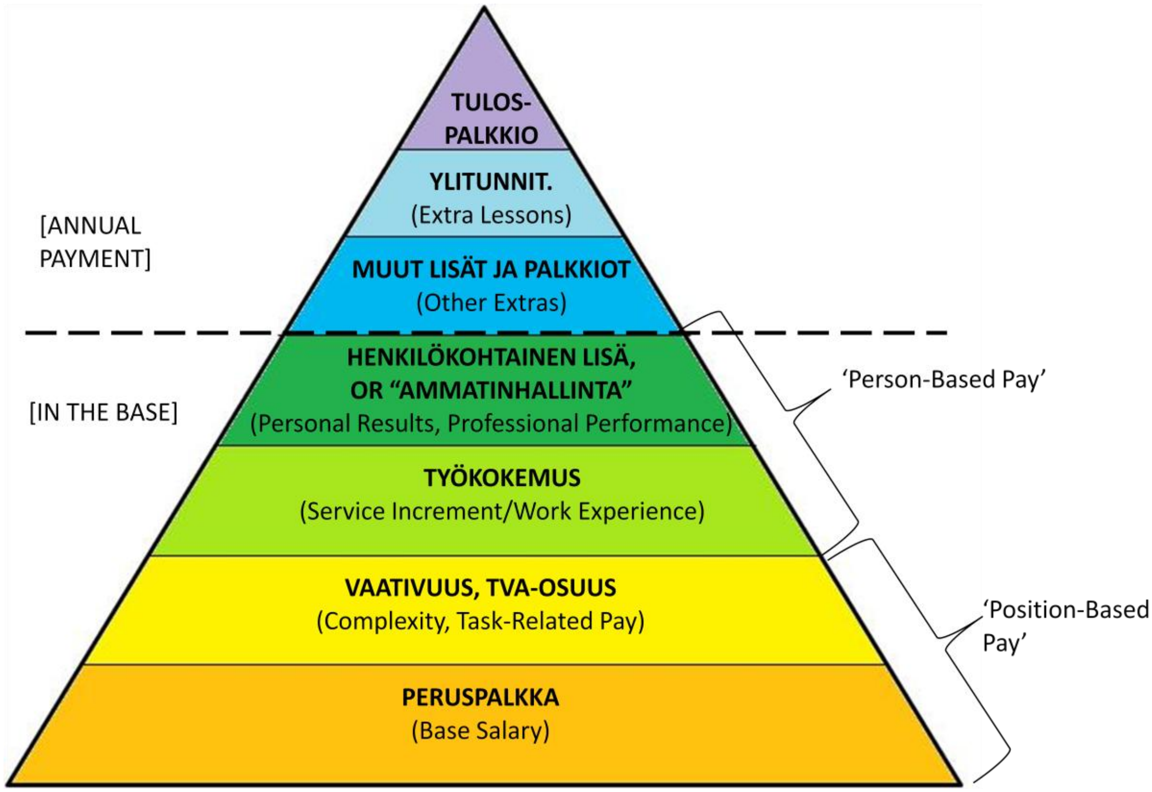
[111] However, though seniority-based pay is a consistent feature of both systems, the amount of seniority based pay was reduced in 2007. Part of the new salary system was a revision of the size of seniority-based raises, which were restructured and diminished. Employers continue to attempt to decrease the size of these raises (KT.Social_Scientist; OAJ.Social_Scientist; OAJ.Negotiator1).

[112] The OAJ hoped that this supplement would be preserved at the local level, but their negotiating success was uneven across municipalities (Local_B.President). Though 1st class teachers received some 'transitional money' that attempted to 'grandfather in' the changes and close the gap between their new and old salaries, the teachers who 'lost money' were angry about the change (OAJ.Negotiator1; Local_B.President).

[113] i.e. money that previously went to teachers' base could be diverted to HL.

FIGURE 5.9: The 'New Salary System'[114]



In addition to capturing the 'types' of compensation available in the new system, Figure 5.9 draws attention to several other important distinctions. First, one-off annual payments must be delineated from those that go into teachers' base salary. Annual payments—like extra lessons, other extras, and *tulospalkkio*[115]—are one-off 'bonus payments' (see Appendix VII), which means that they do not impact teachers' compensation beyond that year. These payments take two forms. They may be determined by the *rules*—distinct and independent from the centrally negotiated annual raises—of the centrally negotiated agreement (i.e. defining 'extra lessons'). Or, these payments may be above-and-beyond the negotiated raises and paid at the discretion of a municipality using its 'own money'[116].

[114] Opetusalan Ammattijärjestö (2012) Author's translation produced in collaboration with union staff
[115] These are school-wide awards based on municipally-determined goals, like reducing energy use.
[116] These may include *tulospalkkio* (see previous footnote) or other reward schemes like gifts for special career achievements or travel reimbursement or meal vouchers.

Salary components that go into teachers' base—including TVA and HL as well as seniority-based raises—are payments that become a permanent part of teachers' salaries. Because HL is a 'contingent payment', a teacher who receives it—for example a €100 per month increase—will continue to receive an additional €1,200 a year for the duration of the time that he or she teaches at that school or municipality[117]. As seen in Figure 5.9, contingent pay can be further broken down into 'position-based pay' and 'person-based pay'(KT.Social_Scientist, Local_C.Shop_Steward; OAJ.Negotiator.2). Though the distinction—position-based payments are linked to particular jobs rather than individuals—is fairly self-evident, it informs the OAJ's preferences and the reform dynamics. Position-based payments are viewed as more 'permanent' and thus, are typically preferred by the union.

5.5.3 Are these changes significant?

Section 5.6.2 identified three major changes introduced by the KUNPAS Agreement: the transition to euro-denominated wages, the introduction of järjestelyerä, and the opportunity for locally-designed task-complexity (TVA) and 'professional performance' (HL) pay. Were these significant changes?

The transition from paying teachers' salaries in Euros instead of the Finnish markka was a significant undertaking, but one that was inevitable due to the larger politics of joining the European Monetary Unit—it was simply a question of 'when' and 'how'. So, the question of the significance of the reform should be focused on the other two shifts: the decentralisation of some bargaining to the local level (järjestelyerä), and the resulting opportunity for locally-designed TVA and HL.

Consistently, when a member of the OAJ—irrespective of whether the individual worked at the national or municipal level—was asked about the new components of the salary system (TVA or

[117] Whether the payment is linked to the municipality or to the school/position appears to vary across municipalities.

HL), one of the first responses was usually that these components make up a very small percentage of teachers' total salaries (Local_B.President; Local_C.Shop_Steward; Local_C.Union_Leader; .OAJ.Negotiator2). However, the shift is both theoretically and practically important.

Like the total raises negotiated in collective agreements, the size of the locally negotiated component is described relative to the total amount of money allocated towards teachers' salaries in the previous year. As a result, the raises *sound* insignificant—they have always been less than a 1% raise—relative to all of the money that goes to teachers' salaries. However, because not all teachers receive these raises—they are targeted by nature—discussing the size of the raises as a percentage of total teachers' salaries is misleading.

TABLE 5.10: OVTES Locally-negotiated raises and Distribution

	Size of locally negotiated raise	**Percentage of teachers who received locally negotiated money**
2007	0.30%	21%
2008	0.30%	16%
2009	0.80%	42%
2011	0.80%	44%

Source: Kunnallinen Työmarkkinalaitos, 2008, 2009, 2011

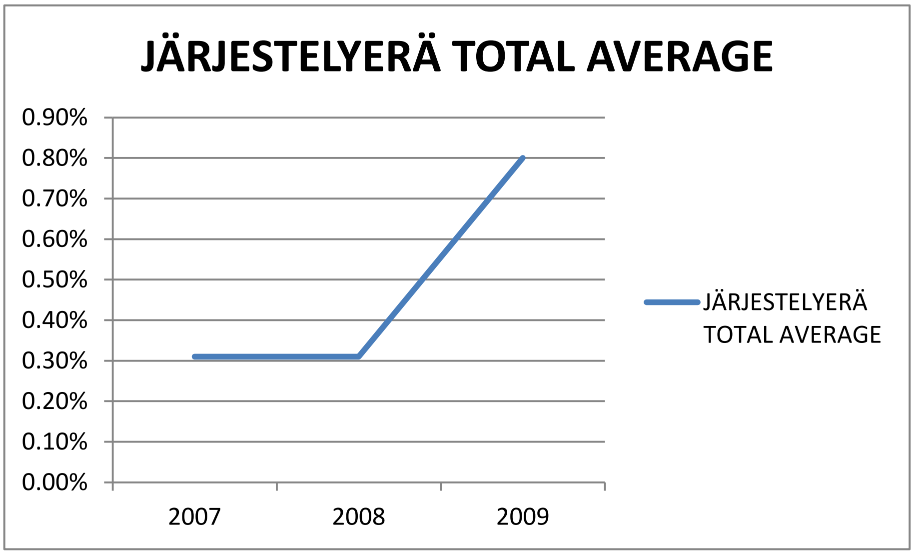
As Table 5.10 shows, the percentage of teachers who received raises from locally negotiated money from 2007-2011 ranged from 16-44%. Though recalculating these raises as a percentage of an individual teachers' base salary is impossible[118], it is certainly a more significant raise for these teachers than the size of the raise relative to the total base would reflect. Furthermore, because these raises go into recipient teachers' base salaries, the impact on a teacher's lifetime earnings is not insignificant.

Furthermore, järjestelyerä is not an insignificant portion of the total money that has come into the teachers' salary system each year since 2007. Chart 5.11 shows a marked increase in the

[118] Because recipient teachers' base salaries would differ on the basis of the complex salary system.

amount of money available to local negotiation—either as an absolute amount or as a proportion of the total increase.

CHART 5.11: Järjestelyerä 2007-2009[119]

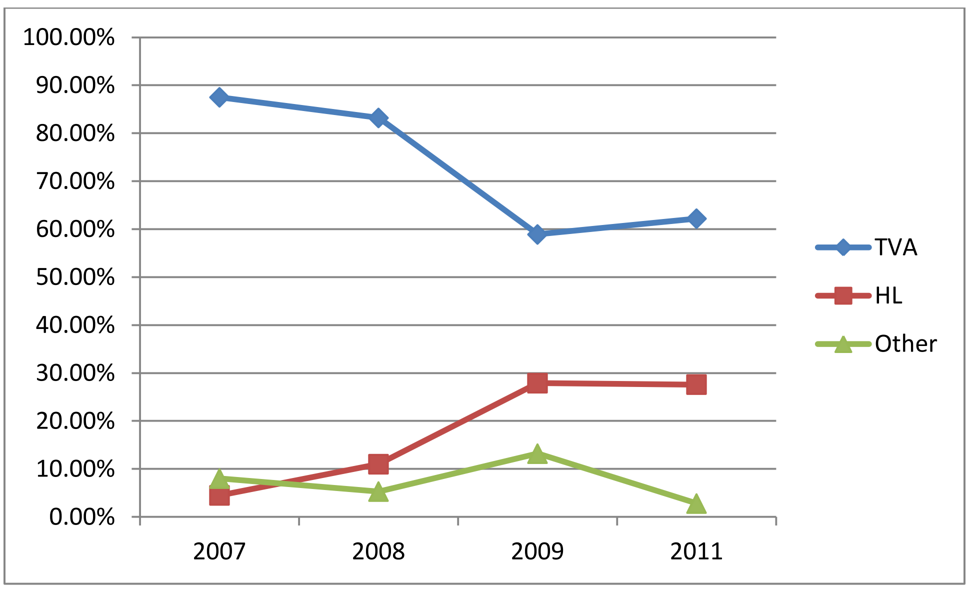


In addition to the size and significance of the locally negotiated portion, the allocation of the money between TVA or HL is also significant. Due to the OAJ's preference for 'position-based' rather than 'person-based' pay, the OAJ preferred and continues to prefer position-based TVA to person-based HL. However, when the salary development contract was negotiated in 2002 and implemented from 2003-2007, HL was not a major concern, in part because it was a *very* small part of the locally negotiated funds—less than 5% of järjestelyerä funds in 2007 (KT.Social_Scientist). Because there was so little money going towards HL at the time, the union did not perceive it to be a significant problem: communities could put money towards HL, but they were not (KT.Social_Scientist). As a result, the union's primary concern was ensuring that the money that went into the system via TVA stayed in the system. To the extent that HL was being used, it was more like a trial or experiment.

[119] Kunnallinen Työmarkkinalaitos (2008, 2009)

But as Chart 5.12 demonstrates, the relative percentage of järjestelyerä allocated towards HL has increased since 2007. According to both KT and OAJ, getting the local money to HL is increasingly the employers' policy (KT.Social_Scientist; OAJ.Negotiator1). The explanation provided by KT is that there is "nothing left to pay" with TVA (OAJ.Social_Scientist); municipalities have targeted increases to all of the positions where they think such increases are necessary and so their attention is turning, increasingly, towards the use of HL.

CHART 5.12: Allocation of Järjestelyerä (OVTES), (% of Total)[120]



The apparent shift in employers' priorities for järjestelyerä and the marked increase in the allocation of local funds to HL versus TVA points to the third reason why the shift to the new system in 2007 was both theoretically and practically significant.

While the process for negotiating collective agreements—including sectoral agreements like OVTES and KVTES as well as the TUPO system—are governed by laws that protect the right of the unions not to sign an unfavourable agreement, including processes for mediation and, potentially, industrial action, local 'negotiations' are notably different. The locally-determined

[120] Kunnallinen Työmarkkinalaitos (2008, 2009)

money (järjestelyerä) is discussed by the local union and the municipal authority but, unlike the collective agreements, if the two sides do not agree, the employer has the legal authority to decide unilaterally (Kunnallinen Työmarkkinalaitos, 2004b; KT.Social_Scientist; Local_A.Employer; Local_A.Shop_Steward; Local_B.Employer; Local_B.President; Local_B.Shop_Steward; Local_C.Shop_Steward; Local_C.Union_Leader; OAJ.Negotiator1; OAJ.Negotiator2). According to a summary of the 2003-2007 Wage Development Contract:

> The allocation of local elements shall be negotiated with the trade unions or their representatives in accordance with § 14 of the main contract, trying to reach a consensus. Should consensus not be reached, the employer is free to choose how the local element is allocated for task-specific and personal bonuses. (Kunnallinen Työmarkkinalaitos, 2002a)

Thus, local unions have limited scope to influence the allocation of this järjestelyerä money. Many individuals—from both the union and employer perspective—indicated that it would be inappropriate to even call the local conversations 'negotiations'. According to data provided by KT, in 2011 1.6% of respondents reported that the employer made a unilateral decision when it came to determining järjestelyerä money within the OVTES agreement (Kunnallinen Työmarkkinalaitos, 2011). However, based on conversations with local union leaders, it seems possible, if not likely, that many of the 98.4% of respondents who indicated decisions based on employer-union agreement simply reflect a formality of agreement (Local_Union_Leader.B; Local_Shop_Steward.B).

Despite the trends evidenced in Charts 5.11 and 5.12, the effect of the 2007 changes—decentralisation of bargaining and giving municipalities the option to pay teachers based on their professional performance (HL)—are far from uniform across Finnish municipalities. Though KT surveys municipalities on the outcomes of their local consultations, only the national averages are publically available. As a result, speaking about how, exactly, municipalities have differed in their utilisation of the changes made possible by the new salary system is difficult. Ultimately, the extent to which municipalities choose to utilise the freedom to pay teachers based on their professional performance is a question of the preferences, goals, and administrative capacity of the municipality. It does not speak to a question of union strength. Though the effect of the changes could be investigated further, explicating the specific ways in which municipalities have utilised the flexibility afforded to them by these changes is outside the scope of this research (see Appendix.II.iii).

5.5.4 Conclusion

This section has described the changes to teachers' salaries that came into effect in 2007 in Finland and outlined some of the major events through which they were realised. The introduction of locally-negotiated TVA and HL salary components were both substantively and theoretically significant. Substantively, though a small percentage of the total amount paid to teachers' salaries in Finland, the size of the bonus that an individual receives is not insignificant—especially because she continues to receive it over the course of her career. Furthermore, the locally negotiated components and the percentage of those sums allocated to HL, the most contested reform component, continue to grow.

Theoretically, these changes are significant because they challenge the assumption that a strong union would take measures to block these reforms. Though this section has established a few important factors that may have contributed to the reform developments—the economic context, the movement towards decentralisation and greater local autonomy and authority, and the influence of broader public sector agreements[121]— key questions remain unanswered: did the OAJ oppose these changes? If so, why were they unable or unwilling to block them? If not, why not?

In Section 5.5.1, the theme of compromise between the unions—who received additional pay—and the employers—who accomplished their goal to 'modernise' the salary system—began to

[121] Both in terms of the state sector (VALPAS agreements) as well as the pattern of other municipal agreements (KVTES).

emerge. However, the evidence outlined thus far is merely suggestive. Consistent with the ACI framework, only by closely examining the nature of the OAJ's preferences—their general goals, how those goals were translated into particular interests related to these reforms, their capacities, *and* their relational preferences and patterns—can the events and reforms outlined in this section be understood.

5.6 Why did it happen?

How can the KUNPAS reforms be explained? Chapter 3 outlined three basic hypotheses for how apparently crucial cases could potentially be explained. First, they could be accounted for by revising conceptions of union strength or power: perhaps, though the OAJ *wanted* to block the policies, it could not. Second, perhaps the surprising outcome is rooted in a closer examination of the OAJ's interests: though it could have blocked the policies, it did not actually want to do so. Or third, perhaps the union was opposed to the reform and was potentially able—i.e. powerful enough—to block it, but may have chosen to accept the changes in order to protect its relationship with other stakeholders and to preserve its relational legitimacy.

In order to evaluate these competing hypotheses, a much more detailed exposition of the OAJ's preferences—both generally and in terms of this particular reform—as well as its strategy is required. Section 5.6.1 will outline the OAJ's capacity and preferences. The OAJ's particular preferences regarding the KUNPAS agreement and its strategic choices in that process must be understood in the context of OAJ's broader capacity (Section 5.6.1a), its general preferences (Section 5.6.1b), and how those encourage particular strategies.

Though significant, the union's goals, policy-related preferences, and demands of diverse interest representation are not the only factors that inform the OAJ's strategies. An established cooperative relational pattern and an apparent interaction orientation systematically informed the union's decision-making and bargaining strategies, including the KUNPAS agreement (Section

5.6.1c). These measures of the union's orientation—capacities, preferences, and interaction orientation—provide the critical information that, together with the timeline of events outlined in Section 5.5, explain how the KUNPAS system was negotiated and implemented and what it reveals about teachers' unions' involvement in and impact on education reform.

5.6.1 OAJ's Orientation

According to one negotiator with KT, neither locally-negotiated TVA nor HL were priorities or preferences of the OAJ (KT.Negotiator.1). As a general rule, though the union generally accepts some local negotiation and pay for task-complexity in particular, reservations about järjestelyerä as well as ambivalence about the PRP component (HL) remained (Table 5.13).

TABLE 5.13: Preferences Related to the New Salary System

		JAR	HL	TVA
PRESIDENT	OAJ.President	Important decisions can be made locally; can't be all local; strategic opportunity	Good and necessary part of the system; Requires careful implementation	Good; work is not the same
CENTRAL UNION	OAJ.Negotiator.1	Can be good; Hard when new; Local shop stewards don't want it	Acceptance; Questions about measurement	Good; Differences between jobs exist
	OAJ.Negotiator.2	Strategic Opportunity	Mixed view	Good
	Local_A.Union_Leader	Good; Hard when new	Good	Good
LOCAL UNION	Local_C.Shop_Steward	Good; Deal with Local Differences	Good (Personally); Teachers Dislike	Good
	Local_C.Union_Leader	n/a	Dislikes	Good
	Local_B.President	Sometimes good; Hard work	Teachers Dislike	Good
	Local_B.Shop_Steward	Good; Hard When New	Acceptance; Hard When New	Good
	Local_A.Shop_Steward	Good	Unsure	Good

The preferences for TVA and järjestelyerä (as displayed in Table 5.13) are fairly straight-forward. First, there was widespread support of TVA; this support reflects both contemporary as well as historical preferences. When the 'new system' was implemented in 2007, the idea of task-complexity was not new, but the locus of decision-making (järjestelyerä) was different. So there was a general acceptance that the complexity of teachers' work was different and should be rewarded appropriately, however, there were concerns about decentralizing decision-making to the local level.

Table 5.14 displays contemporary perceptions of järjestelyerä. Unpacking the data on perceptions (Table 5.14, as well as Tables 5.15 and 5.16, below) requires one methodological note. Though effort was taken to ask interviewees about historic preferences, many interviewees discussed contemporary perceptions or preferences. The consensus was that all parties—teachers as well as the organisation and its leadership—had moved from a position of resistance to *relative* acceptance, though not necessarily endorsement, of järjestelyerä and HL.

TABLE 5.14: Järjestelyerä Perceptions

		Local Differences Exist	Too Much Work	Way to Get More Money	'Hard when new'
PRESIDENT	OAJ.President	X		X	
CENTRAL UNION	OAJ.Negotiator.1	X	X	X	X
	OAJ.Negotiator.2			X	
	Local_A.Union_Leader	X		X	X
LOCAL UNION	Local_C.Shop_Steward	X		X	X
	Local_C.Union_Leader			X	
	Local_B.President	X	X	X	

Table 5.14 reflects the union ambivalence about järjestelyerä. Though there were concerns due to its novelty, there was consensus, despite the fact that some municipalities thought and continue to find local negotiation to be too much work, that local differences exist and that järjestelyerä provided an opportunity to address those differences. Several respondents identified järjestelyerä as a change that was difficult and unwelcome when first implemented, but has gotten easier with time (Local_A.Union_Leader; Local_C.Shop_Steward; OAJ.Negotiator.1). The ability to

address local differences was part of the appeal of accepting järjestelyerä, but the overwhelming motivation—articulated by every respondent—was that accepting local negotiation was a way to get more money from municipalities.

The KUNPAS agreement and the additional raises it provided guaranteed a short-term boost in teachers' salaries, but the union also hoped it might provide long-term opportunities as well. The idea was that if each municipality developed its own wage system, outlining the groups of teachers and types of performances that deserved higher salaries, then the municipality would be encouraged to allocate 'its own money' towards teachers' salaries (Local_A.Union_Leader; Local_B.President; Local_C.Shop_Steward; Local_C.Union_Leader; OAJ.President; OAJ.Negotiator.1; OAJ.Negotiator.2).

However, despite the general support for järjestelyerä as a way to address local differences and the importance of local negotiation as a strategic opportunity, the union only supports järjestelyerä *within limits* as evidenced by the responses included in Table 5.13. As OAJ.President made clear, if all of the money were negotiated locally, it would threaten the union's existence. Exclusively local negotiation would challenge the need for a strong central organisation. Furthermore, with exclusively local negotiations, many members could go several years without receiving raises, creating discord and dissatisfaction within the union.

In terms of preferences, HL was and remains controversial. However, as Table 5.16 makes clear, the fervour of the controversy—and cleavages within the union—have changed over time and must be unpacked. First, like with järjestelyerä, there is a historical dimension to the OAJ's perceptions and preferences related to HL which reflects a move from relative resistance to acceptance. As OAJ.President said about HL:

> I can't say that they (teachers) are happy…but they understand….if teachers don't want it, we can't do it…they are not happy, but they agree.

In addition to the temporal dimension—that there has been growing acceptance over time as teachers' 'get used to the system' (OAJ.Negotiator.1, Local_B.President, Local_B.Shop_Steward)—OAJ.President's comment also points to another important dimension when considering the preferences and perceptions of the teachers' union: the role of *teachers'* preferences and perceptions.

This distinction can be seen more clearly in Table 5.16, which provides a more detailed display of interviewees' perceptions of HL. Table 5.17 displays perceptions of TVA, which provides a useful contrast to the perceptions of HL. While teachers' perceptions (marked (t)) were rarely distinguished from the views of interviewees' or the OAJ more generally, in terms of TVA, interviewees were frequently distinguishing between their personal views—or the views of 'union leadership' generally—from the views of teachers when it came to HL.

If any general 'union view' of HL emerged it is this: that though the *leadership* understands that not all teachers work equally as hard or as effectively, *teachers* perceive HL to be difficult to measure and as a result prone to bias and unfairness. Local_C.Union_Leader was the only interviewee to personally object to HL categorically (Table 5.13). The rest expressed personal views ranging from openness (there are questions, but it can be good) to acceptance, to support—with two caveats. First, they argued, explicitly or implicitly, that PRP is theoretically possible and valuable but difficult to execute in practice. So they support the *idea* of PRP—that some teachers work harder or better than others and should be rewarded—without supporting all forms or systems of HL. Second, they acknowledged that though they supported the idea of HL *personally*, that this was not the view of all, or most, teachers. When they distinguished the view of teachers from their own view, teachers' views of HL were universally negative (Table 5.15).

The dissention, among teachers in particular, over HL's measurability, fairness, and objectivity can be contrasted with perceptions of the reliability and validity of TVA. There was universal recognition that job differences exist—a contested claim when it comes to teachers' performance—and consensus[122] that these differences are measurable, objective, and a fair basis for compensation differences. At best, teachers' reaction to HL has been characterised as a kind of grudging 'acceptance' (OAJ.President).

[122] Almost every interviewee discussed the validity of TVA using either 'fairness', 'measurability' or 'objectivity', and there were no dissenting views expressed.

TABLE 5.15: HL PERCEPTIONS

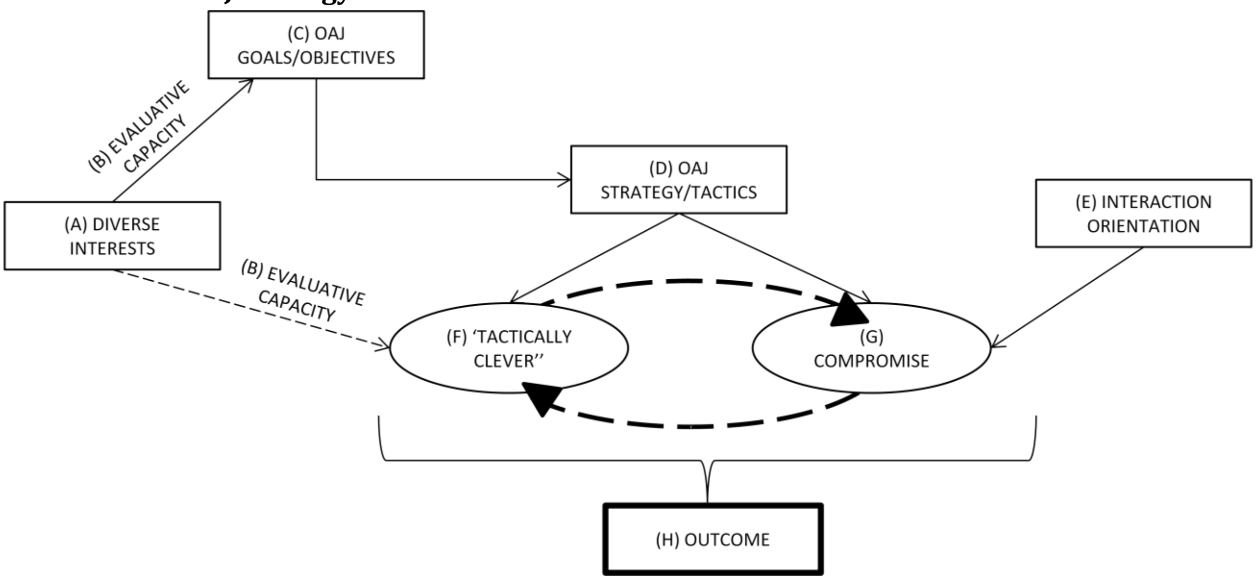
		Performance Differences Exist	Immeasurable	Biased (Not Objective)	Unfair	Good in Theory; Challenging in Practice	'Getting Used to it'
PRESIDENT	OAJ.President	X	X			X	
CENTRAL UNION	OAJ.Negotiator.1	X	X	X		X	X
	OAJ.Negotiator.2		X (t)	X (t)	X (t)	X	
	Local_A.Union_Leader					X	
LOCAL UNION	Local_C.Shop_Steward			(t)	(t)	X	
	Local_C.Union_Leader	No		(t)	(t)		
	Local_B.Union_President	X (t)	(t)		(t)		X
	Local_B.Shop_Steward	X		(t)	(t)	X	X
	Local_A.Shop_Steward	X			X (t)	X*	

TABLE 5.16: TVA PERCEPTIONS

		Job Differences Exist	Measurable	Objective	Fair
PRESIDENT	OAJ.President	n/a	n/a	n/a	n/a
	OAJ.Negotiator.1	X	X		
	OAJ.Negotiator.2	X	X	X	X
CENTRAL UNION	Local_A.Union_Leader	X			
	Local_C.Shop_Steward	X	X	X	X
	Local_C.Union_Leader	X			X
	Local_B.Union_President	X		X	X
	Local_B.Shop_Steward	X			(t)
LOCAL UNION	Local_A.Shop_Steward	X			

So why would the union accept this unpopular reform against the—self-reported—preferences of its membership? Answering this question requires an understanding of several concepts which are derived from the ACI framework (Chapter 3) and informed by interview data (Figure 5.17).

FIGURE 5.17: OAJ Strategy and Tactics



The OAJ's strategies and tactics—both generally and in terms of the 2007 system in particular—must be understood in terms of the diversity of members' preferences (cognitive diversity (A)), and the evaluative processes (B) through which consensus around preferences—both in terms of general and particular goals (C)—are generated. Two themes emerge when it comes to negotiating strategies and tactics (D). First, the union attempts to find solutions that are 'tactically clever' (F)—a strategy that sits at the nexus of the OAJ's preferences and its capacities and will be outlined in Section 5.6.1b. Second, compromise (G) is an essential part of the union's strategic calculation. The perceived necessity of compromise must be understood through the lens of the OAJ's interaction orientation (E), which can only be understood within Finland's institutional context which was outlined in Section 5.2 above. Both strategic considerations—tactically clever changes and compromise—are mutually reinforcing as compromise informs the union's conception of what is possible.

5.6.1a OAJ's Capacity

In ACI, Scharpf identifies an actor's capacity as a function of its cognitive capacity—the diversity of members' preferences—and evaluative capacity—its ability to aggregate members' preferences. Both the cognitive and evaluative capacities are reflected and incorporated in OAJ's organisational structure.

As discussed in Section 5.4.2 above, the OAJ is comprised of a variety of smaller units reflecting both regional and job-function diversity. Basic education teachers (YSI) are the largest sub-organisation, with 90 of the 150 Valtuusto seats, in addition to organisations representing secondary, vocational, university teachers and others (Local_A.Union_Leader). However, these organisational lines may not always reflect the only or most important intra-organisational disagreements. *Within* basic education[123], important differences exist both in the preferences of class versus secondary teachers as well as within those groups as contract details—number of lesson hours and related working conditions that qualify for the 'full' salary—varies across subject areas. Furthermore, regional differences create another preference-cleavage.

Interviewees consistently highlighted the diversity of membership preferences (Table 5.18). Several referenced different types or groups of teachers all lobbying for their particular group (OAJ.Negotiator.1, OAJ.Negotiator.2), and these differences were even evident at the local level (Local_A.Shop_Steward).

[123] Basic education will be the focus, so 'differences between groups' refer to differences within basic educators.

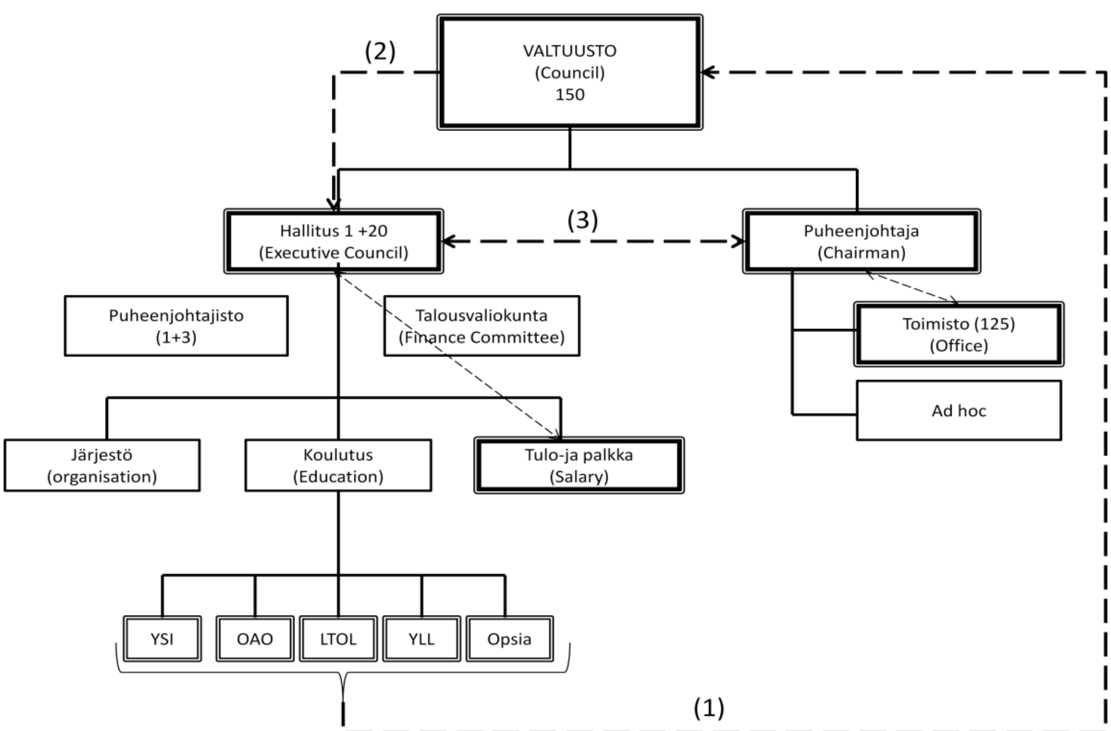
TABLE 5.18: OAJ's Capacity

	INTERVIEWEE	DIVERSE PREFERENCES	MULTIPLE GOALS	DIFFICULT TO GET A CLEAR AIM
Central	OAJ.President	X		X*
	OAJ.Negotiator.1	X	X	
	OAJ.Negotiator.2	X	X	X
	Local_A.Union_Leader	X	X	X
Local	Local_C.Shop_Steward			X
	Local_B.President	X	X	X
	Local_A.Shop_Steward	X		

**difficult, but not impossible*

In order to attempt to integrate these diverse preferences, OAJ's organisational structure features a fairly complex and developed representative democracy through which negotiating goals are established (Figure 5.19).

Figure 5.19: OAJ Organisational Structure



All of the member organisations are proportionally represented on the council (*Valtuusto*), which also reflects regional diversity. This group develops a draft of goals for each negotiation cycle. However, due to the diversity of preferences, these goals are usually quite numerous and general (OAJ.Negotiator.1; OAJ.Negotiator.2; Local_A.Union_Leader). Then the executive council (*Hallitus,* particularly the salary committee, *Talo-ja palkus*) is responsible for developing a more specific set of goals (Local_A.Union_Leader; OAJ.President). Then, the OAJ staff—the president serves as the chief negotiator supported by full-time shop stewards—are responsible for conducting negotiations on the basis of the goals generated by the councils (3).

According to negotiators, the multiplicity of the goals generated by the councils allows negotiators to "pick their wins" (OAJ.Negotiator2); because, due to the multiplicity of goals, they can always achieve at least some of them, leaving negotiators with significant operating room. The negotiators are also relatively free in the negotiating process itself. After they have the OAJ's goals, they do not have to check in with the boards or councils; they have latitude to negotiate the best possible agreement (OAJ.President). After negotiations, Valtuusto decides if they will sign the agreement made by negotiators (OAJ.Negotiator.2), but are not involved throughout the process, as the president takes the leading role in negotiations.

According to Local_B.President, the union's representative system requires that members trust that the councils and executive leadership will do what is best; it is impossible for the union to function as a direct democracy where everyone can provide their opinion on every issue. This representative system is the primary strategy for aggregating members' preferences—what Scharpf calls evaluative capacity. The system allows the diverse membership to make their preferences and interests heard while entrusting the board to 'see the bigger picture' (Local_B.President).

Ultimately, despite the challenges of representing virtually all of the teachers in Finland—both in terms of types of teachers as well as overall percentage (95%)—and the inevitable diversity of members' preferences, the OAJ has developed a system of interest aggregation (evaluative capacity) in which this diversity does not pose a major challenge or threat to the union's functioning. However, there was a universal acknowledgement that representing all teachers 'fairly'—a definition that will likely vary along with members' preferences—is a real challenge. It is a manageable challenge, but one that informs the union's strategies and tactics, as will become increasingly clear. In order to see these strategic implications, a closer examination of OAJ's long-term goals or preferences is required.

5.6.1b OAJ's Goals: General Preferences

The OAJ.President expressed the broadest conception of his goals as a leader of the organisation: to ensure that teachers in Finland continue to want to be a member of the OAJ, an objective that requires a long-term strategy. The importance of the long-term view was echoed by all three members of the executive board (OAJ.President; Local_A.Union_Leader; Local_B.President) as well as by the lead negotiator (OAJ.Negotiator.1).

Increasing the amount of money invested in education—in terms of both teachers' salaries as well as local investment in public education—is clearly a significant component of this strategy, but is not the exclusive focus of the union (Table 5.20). In terms of teachers' salaries, union leaders spoke to the importance of addressing the equity and fairness of salary systems (B) in addition to simply increasing the absolute salary level. Local shop stewards spoke to the importance of school organisation, development, and quality; Local_B.Shop_Steward explicitly identified the union as a co-producer with the municipality in the provision of quality public services[124].

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[124] The emphasis of local shop stewards on school quality compared to national leaders likely has two explanations. First, due to the constraints on local bargaining, the shop stewards have limited influence on salaries—the level of salary raises is almost exclusively centrally negotiated. As a result, the shop steward's role is almost exclusively focused on the allocation of salary

TABLE 5.20: OAJ Goals

	INTERVIEWEE	(A) INCREASE MONEY	(B) FAIRNESS	(C) SCHOOL QUALITY	(D) LONG-TERM GOALS
Central	OAJ.President				X
	OAJ.Negotiator.1	X			X
	OAJ.Negotiator.2	X			
	Local_A.Union_Leader	X	X		X
Local	Local_C.Union_Leader	X	X		
	Local_B.Shop_Steward			X	
	Local_B.President	X			X
	Local_A.Shop_Steward	X*	X	X	

**Local_A.Shop_Steward referenced increasing money in the system, but this referred to the development of the education system as a whole, rather than an emphasis on teachers' pay.*

The OAJ's salary strategy sits at the nexus of its salary-specific goals and the diversity and tensions of members' preferences—to increase the amount of money available while attending to fairness through long-term thinking.

In terms of salary negotiations, the OAJ appears to have two major goals—to get as much money to teachers as possible while attending to questions of fairness and equity[125]. Column (D) in Table 5.21 displays the number of interviewees who explicitly referenced the importance of long-term goals or strategies when it comes to salary negotiations. These three considerations come together in what OAJ.Negotiator.2 referred to as 'tactically clever changes'. Though the descriptive language varied, similar ideas were echoed by several interviewees (Local_A.Shop_Steward;

dollars (fairness) as well as advocating for investment in local education (quality). Second, because the focus of the interviews was on the development of the salary system, interviewees at the national level tended to focus on the negotiation-specific objectives of the union, excluding the union's other efforts in lobbying for educational quality and professionalism. Drawing on conversations with informants, the work of the union is far broader than salary negotiations. OAJ.President did emphasise the breadth of the union's work; the emphasis on salary-specific goals and objectives is a function of the expertise of interviewees—i.e. negotiators—and the emphasis of the research topic.

[125] Perceptions of fairness and equity are fundamentally informed by members' interests and the union's evaluative capacity.

Local_B.President; Local_C.Shop_Steward). The idea of 'tactically clever changes' synthesises a variety of ideas. First, it is linked to strategies to maximise the total amount of money that comes into the salary system. Second, it provides a way of integrating members' preferences and resolving tensions. And third, it is premised on the assumption of a long-term strategy.

When OAJ.Negotiator.1 described 'tactically clever changes', he positioned them as a direct response to the different kinds of teachers and their competing preferences. 'Tactically clever changes', at the central level, was a reference to targeting raises to groups that are growing. If the group of teachers receiving raises is growing—for example, if the national curriculum will require an increase in science teachers—then the total level of salaries over time will continue to rise. Targeting these groups allows negotiators both to accomplish their goal of maximizing the money paid to teachers and also to justify the decision-making between teacher groups.

The idea of salary-maximizing strategies with the highest integrative potential was also expressed by local shop stewards and union leaders. At the local level, these strategies took two main forms. First, with TVA raises, the unions in all three municipalities attempted to identify ways of targeting money that would benefit, or appear to benefit, the most teachers and types of teachers. For example, class-sized based TVA is generalisable across class and subject teachers and avoids singling out a particular group or subject. A second strategy—employed in Local A and C—was to devolve decision-making to the school-level through school-based TVA. Local_A.Shop_Steward identified this strategy as a way of dealing with the competing preferences of teachers:

> There are so many groups, so interests are not shared. If you ask basic education you will get one answer and high school another. The question is how to make everyone happy. This is why I have suggested that you let schools decide.

According to OAJ.President, in order to implement 'tactically-clever changes'—particularly those that target strategic groups—the union must have a long-term plan. The president believes that more teachers will be satisfied with a long-term plan, and that through 'turn-taking', the union has a greater opportunity to change and improve things for all teachers. But such a system requires "good cooperation so that this time a group will get more and the next time another one" (OAJ.President), rather than a rigid system which requires that everyone must always receive the same thing.

Though members' competing preferences do not provide an insurmountable hurdle, they do significantly inform OAJ strategy. In addition to attempting to maximise investment in education and increasing teachers' salaries in the aggregate, union leadership must also ensure that these goals are accomplished 'fairly' (Figure 5.21 (B)). The nexus of OAJ's internal capacity (Section 5.6.1a) and its general goals points to a number of key insights into its strategies. The leadership of the OAJ preaches the importance of having a 'long-term strategy', promoting the idea that sometimes groups of teachers have to sacrifice their short-term preferences for long-term gains. Pragmatically, this often involves a kind of 'turn-taking' in negotiation priorities.

5.6.1c Interaction Orientations

Any discussion of the OAJ's strategy would be incomplete without addressing the central role of compromise in negotiations at every level. The significance of compromise was highlighted by both union leaders and negotiators as well as employers' representatives at the central and local levels. As OAJ.Negotiator.2 said, "Everything in our agreements is a compromise".

The importance of compromise in the negotiation and implementation of the KUNPAS contract will be addressed in Section 5.6.2. But first, the pervasive importance of compromise between the OAJ and municipal employers must be illustrated. This consistent commitment to compromise is a reflection of a particular relationship pattern which suggests that the compromises involved in the KUNPAS agreement are part of something systemic rather than an aberration.

Chapter 3 described Walton and McKersie's five relationship patterns—"a set of reciprocal attitudes salient to the parties in their interaction" (p. 185)—which were comprised of four attitudinal dimensions (see Table 3.8). Table 5.21 displays classifications of interviewees' descriptions of the relationship pattern between OAJ and employers[126]. Across levels (central and local) as well as both the OAJ and employers, a consistently cooperative relationship pattern emerges.

TABLE 5.21: Relationship Patterns, Finland

		MOTIVATION ORIENTATION	BELIEFS ABOUT LEGITIMACY	FEELINGS OF TRUST	FEELINGS OF FRIENDLINESS
CENTRAL UNION	AKAVA.Negotiator	Cooperative	N/A	Extended Trust	Friendliness
	OAJ.Negotiator.2	Cooperative	N/A	Trust[127]	Friendliness
	OAJ.Social_Scientist[128]	Cooperative	Complete Legitimacy	Extended Trust	Friendliness
LOCAL UNION	Local_C.Shop_Steward	Cooperative	N/A	Trust	Friendliness
	Local_B.Union_President	Cooperative	Complete legitimacy	Extended trust	Friendliness
	Local_B.Shop_Steward	Cooperative	Complete legitimacy	Extended trust	Friendliness
	Local_A.Shop_Steward	Cooperative	Complete legitimacy	Trust	Friendliness
CENTRAL EMPLOYER	KT.Social_Scientist	Cooperative	N/A	Extended trust	Friendliness
LOCAL EMPLOYER	Local_A.Employer	Cooperative	Complete legitimacy	Extended trust	Friendliness
	Local_B.Employer	Cooperative	complete legitimacy	N/A	NA

[126] Table 9 displays all interviewees for which data on relationship patterns was available.
[127] OAJ.Negotiator.2 acknowledged that there were disagreements and that sometimes it may seem that the other side reads the agreement incorrectly. The comment could not be classified as 'extended trust', but there seemed to be an undertone of trust in spite of these differences.
[128] Classification for this row is based on observed interactions rather than on interview data.

Despite the nuance and particularity of responses[129], the general pattern that emerges conforms closely to Walton and McKersie's cooperative pattern[130]. The "complete acceptance of the legitimacy of the other" (Walton & McKersie, 1965/1991, p. 188) was implied throughout discussions, never contradicted, and evident in the working patterns of OAJ and KT[131]. Furthermore, according to Walton and McKersie this 'full respect' or legitimacy is evidenced by the union accepting "managerial success as being of concern to labour; [and] management recognise[ing] its stake in stable effective unionism" (p. 188). This view was most comprehensively evidenced and articulated by Local_B.Shop_Steward who said that the union's job is to work with the employer in:

> ...providing services for the people of Local B....(the union's role is in) trying to take care of employees, that they are heard. If conditions are good, it will provide better services...We may not agree on details...as long as there are people doing things there will be disagreements.

The pervasiveness of cooperation between the OAJ and municipal employers in Finland is most evident at the local level. Though the local employer has the final say on all issues, including salaries, there was a consistent affirmation—from both local employers and unions—about the importance of working together.

> We are making good cooperation with the union. Sometimes we disagree and that is ok. Still we want to stay in good cooperation. Because that is the best way for the workers and the pupils...[and the pupils are why we are here]...And so we have to...to have good cooperation. (Local_A.Employer)

[129] There were a few individuals whose responses on trust were difficult to classify. Though there was a general sentiment of trust with both Local_C.Shop_Steward and Local_A.Shop_Steward, their responses were complex. Local_A.Shop_Steward had a personal relationship of extended trust with Local_A.Employer, but described one of her challenges as needed to build teachers' trust in management and leadership in Local_A. Local_C.Shop_Steward expressed different levels of trust in his negotiating partners (higher) versus the administrative staff who oversaw education in Local C.

[131] The social scientists collaborate and share data extensively, for example, even working together on data requests.

> It is not good politics to just be telling...we want to discuss and compromise...because they are discussing it with their members. (Local_B.Employer)

The views of Local_A.Employer and Local_B.Employer reflect a belief in the legitimacy of the union as a representative of teachers which is especially striking given that they legally are free to ignore union input if they choose. However, the mutual legitimacy between parties supersedes any differences of opinion.

Table 5.21 displays attitudinal dimensions—individual actors' feelings of trust, friendliness, and legitimacy. But these attitudes, particularly in light of the emerging consensus across both national and local employers and employees, carry both an individual and institutional dimension. The importance of interpersonal relationships in stable and effective employer-employee relationships was acknowledged (Local_B.President), but the consistency of the pattern is also connected to the institutional patterns of relationships and interaction (Section 5.2.1). The frequency of formal and informal consultation is pervasive at both the national and local level.

One effect of the cooperative relationship pattern between the OAJ and employers—and the point at which the compromise strategy interacts with the 'tactically clever' strategy—is that both parties enter negotiations with a significant amount of reliable information about both the empirical facts as well as the subjective preferences of the other party.

The OAJ and KT collaborate closely on the collection and monitoring of labour market data. This is relevant to the KUNPAS agreement as the KUNPAS study is one example of this kind of collaboration. However, rather than an exceptional effort, the KUNPAS study should be viewed as a by-product of systemic and ongoing collaborative efforts. The social scientists for each organisation are often in contact in order to monitor labour market trends and calculate the estimated and actual costs of collective agreements (KT.Social_Scientist; OAJ.Social_Scientist).

But beyond statistics and other empirical information, both parties—at both the national and local levels—are very familiar with the subjective preferences of their bargaining opponent due to the nature of their interactions—frequent and on-going. Local_A.Union_Leader explained that the executive board "know(s) very well the concreteness of financial possibilities to get improvement to our goals" at the central level. And the local shop stewards and employers similarly express a familiarity with the goals of their respective opponents which allows them to understand what is possible.

Thus, union negotiating strategies—'tactically clever' solutions and compromise—sit at the nexus of their complex and competing goals and a systemic cooperative relationship pattern (Figure 5.17). The quality of objective and subjective information produced by ongoing and frequent interaction allows the union to anticipate 'what is possible' and to attempt to find clever goal-oriented and interest-integrating solutions within a framework of compromise and mutually-satisfactory outcomes.

To this point, the emphasis has been on the OAJ's general negotiation processes, patterns, and strategies without attending to the particularities of the KUNPAS agreement. However, the same themes which are generally evident—the employment of 'tactically clever' solutions which are goal-oriented and interest-integrating within a framework of compromise and cooperation—are also relevant in understanding the KUNPAS negotiations. The general applicability both increases confidence in the validity of the findings and also demonstrates that the KUNPAS agreement was part of a systemic mode of operation rather than an aberration.

5.6.2 Understanding the New Salary Reforms

Together, the reform process (Section 5.5) and an understanding of OAJ's capacity and preferences (Section 5.6.1) provide the clues required to decipher how the new salary reforms were negotiated and why the OAJ responded the way that it did: their preferences and capacities produced their strategies which played out in the particular context of 21st century Finland.

As outlined in Section 5.6.1, the outcome cannot be explained by OAJ's preferences—the union did not *want* all of the components of the KUNPAS agreement. They were—and to an extent, especially when it comes to the perceived preferences of teachers, continue to be—opposed to paying teachers on the basis of subjective factors finding these immeasurable, unfair, and biased. Furthermore, they had reservations about local negotiation and opposed the elimination of certain supplements[132] and the decrease in seniority-based pay. However, the OAJ did not block the KUNPAS agreement on the basis of these components.

In order to understand the OAJ's preferences and strategic choices and how they shaped their response, a few contextual factors must be explicitly drawn out in order to understand the reform process (see Figure 5.7) and the union's role and response in particular. The calculation of the OAJ's interests in 2002 did not occur in a vacuum, but in response to particular contextual events and factors.

Two key contextual observations were introduced in Section 5.5. First, precedence—following or emulating contracts that had been negotiated elsewhere—played a significant role. This can first be seen in VALPAS providing inspiration for KUNPAS. But more significantly, all of the unpopular reforms involved in the OVTES portion of the KUNPAS agreement—HL, järjestelyerä, and seniority-based reductions—had already occurred in other municipal sector agreements, most notably KVTES. This impacted the union's interest-calculations in two ways. First, the OAJ had

[132] For example, for 1st grade teachers

observed that local negotiation and HL—in both the private and municipal sector—had allowed workers to get more money from employers. But second, the proliferation of these changes throughout the municipal sector may have convinced the union that these changes were inevitable.

The second key contextual factor was the economic circumstances surrounding the reform. Notably, the reform occurred after a recession and coincided with economic recovery. The recession may have created pressures for the reform—incentivizing both the employer and employees to take action. But in spite of the economic pressures, reform would have been unlikely had there not been 'spoils to divide'. The employer knew that modernizing the salary system would 'cost something', and it seems unlikely that the OAJ would have signed onto the KUNPAS agreement without the promised 3-4% raise.

This leads directly to three critical points about the OAJ's interests. First, the union's opposition to certain aspects of the reform was outweighed by its preferences for other things. It was more important to get more money—in both the short- and long-term—into the system than it was to resist HL and local negotiation. So, part of the compromise can be explained by the fact that the OAJ was motivated to get the additional 3-4% raise provided by KUNPAS. But the OAJ was also aware that "there would be no KUNPAS after KUNPAS" (OAJ.Negotiator.2) and so they needed to think about other strategies for getting more money into the teachers' salary system. The OAJ hoped that after municipalities had developed TVA and HL systems, then they would contribute 'their own money' to them (Local_A.Union_Leader; OAJ.Negotiator.1; OAJ.Negotiator.2; Local_B.President). This hope has been largely unrealised; since 2007, municipalities' financial situations have steadily worsened eliminating any possibility that municipalities would have extra money to contribute towards teachers' salaries[133].

[133] Furthermore, not all municipalities developed systems. An OAJ survey in 2008 revealed that at least 4% of surveyed municipalities had failed to deveop a system (Opetusalan Ammattijärjestö, 2008). OAJ.Negotiator2 suggested that those figures are generous and that far fewer municipalities have good systems.

Some of these long-term strategies to secure additional money, the second point about OAJ's interests, were 'strategic gambles'. Or, put another way, the union may have made some concessions at the central level with the hope that they would be able to negotiate the terms of implementation in ways that were ultimately consistent with their preferences. The elimination of the supplement for class one teachers[134] provides a good example of one 'gamble'. Though the supplement was eliminated at the central level, the union hoped that local associations would be able to successfully negotiate the supplement into their local contracts in a way that nullified the concession. Similarly, though the OAJ was ambivalent about HL, they may have hoped to deal with this through successful local negotiations. In fact, it seems that the HL component was an insignificant concern at the time of the original negotiations. And for the first few years of the new system, the majority of the locally negotiated money was allocated to TVA. Finally, there was no way of guaranteeing that municipalities would invest additional money in teachers' salaries under the new system. For the most part, this has not happened. Local_B.President calls this "wishful thinking" and says that it is difficult for local unions to secure these investments because they have little real power at the municipal level.

The acceptance of decentralisation relates to the third observation about the OAJ's interests and strategies. Though this strategy was never explicitly articulated in terms of the KUNPAS agreement, contextual evidence supports it. Because of the diversity of teachers' interests that the union is responsible for unifying and representing, decentralizing decision-making may have been a politically palatable strategy despite the fact that local unions had less power. Local union leaders who are now responsible for attempting to satisfy competing interests at the local level have begun to promote school-based TVA as a politically unifying strategy. This strategy of 'kicking the can'—pushing an issue to a lower level and hoping to be able to convince those leaders to deal with it

[134] Or 'first grade'.

appropriately—is a pattern that connects local negotiation strategies with the KUNPAS negotiations. KT.Negotiator.1 articulated the OAJ's calculation in this way:

> These targets were not too high up on the teachers' union development of wages list, but it was clear that it was beneficial for the union to agree to the contract when the details of the contract would be left to be negotiated during the coming five years…money was good and the other matters were left to be negotiated in the future which I am sure OAJ felt like they were on strong ground.

Employers were happy to decentralise decision-making because decentralisation was consistent with their management philosophy—to have more control over the money. Union leaders were willing to decentralise because they did not have to make any controversial or divisive decisions and could 'sell' the strategy as moving decision-making closer to the membership.

The three observations about union 'preferences' more aptly describe union strategy (Figure 3.4) as they reflect both what the union prefers as well as what is possible—a calculation of their best possible outcome within their operating environment. The final factor, one that sits at the nexus of the union's preferences and their operating environment, is the cooperative interaction orientation between employers and the OAJ. In Finland, both the union and employer started negotiations from an assumption that the outcome would be a compromise. KT had been looking for opportunities to modernise the teachers' contract—with few changes over the course of 10 years—but 'knew' that they could not restructure without money (KT.Social_Scientist); they could not get what they wanted without giving something in return. Similarly, the OAJ assumed that in order to get what it wanted—more money for teachers' salaries—it would have to make some concessions.

5.7 Conclusion

This chapter was structured around addressing a series of questions: Why did PRP occur in Finland? What might this suggest about why PRP has not or does not occur elsewhere? And what role did the OAJ play in these processes?

First, reforms in Finland were facilitated by economic factors; the availability of resources allowed reforms to be designed in a way that allowed everyone to 'win', making compromise possible. Second, the reforms to teachers' salaries were a part of broader changes in the municipal sector, mirroring political and administrative decentralisation and reflecting PRP changes that had already occurred for the rest of the municipal workforce. Third, the OAJ's preferences—both generally as well as their particular preferences related to PRP—were more complex than RCI's assumptions would suggest. Compromise that produced reform was possible in part because the union's preferences were complex and competing—they were able to accept something they did not want in exchange for something they wanted more. Finally, the collaborative relationship seems to have played a significant part of the reform story in Finland, as union opposition or ambivalence was overcome, not by power, but by compromise.

Together, these findings demand a reconsideration of dominant conceptions of union preferences and the process through which they exert power or influence. A revised theory of union preferences and power will be proposed in Chapter 7. But first, Chapter 6 unpacks the second case—the Canton of Zürich. The reform process in Finland was exclusively in the bargaining domain. However, unions—particularly public sector unions—are not *just* bargaining organisations; the political sphere provides another significant domain for union influence. Thus, it is important to consider the relationship between union strength and power in political as well as bargaining arenas. Chapter 6 focuses on a reform in the Canton of Zürich that linked teachers' compensation to their evaluations. Though the content of the reforms are similar—consistent with the idea of commonality across difference outlined in Chapter 2—the reforms in Zürich occurred exclusively within the political sphere. So it provides an opportunity to ask similar questions about union strength and power in the political domain.

CHAPTER SIX: Performance Evaluation Over Opposition in the Canton of Zürich

6.1 Introduction

In 1999, the Canton of Zürich implemented a new evaluation system for teachers. In addition to providing feedback to teachers about their performance, the evaluations also determined whether or not teachers were eligible to receive pay raises. Though the system was implemented in the fall of 1999, its roots can be traced back to the early 1990s and should be understood within the political and economic dynamics of the Canton.

Switzerland, like Finland, experienced a recession in the 1990s which coincided with a wave of NPM reforms that targeted public sector employment and service delivery. There were several reforms that applied to schools and teaching. In addition to the evaluation system, the civil servant status of teachers had also been changed (Wendelspiess, 2000). However, these reforms were not exclusive to teachers. Reforms were implemented in 1991 that attempted to bring public sector employment conditions closer to working conditions and contractual arrangements in the private sector, including linking public sector employees' pay to their performance.

However, though the changes technically applied to the whole public sector, the teaching profession was largely unaffected by these changes through the mid-1990s. In 1997, under the leadership of Ernst Buschor, recently elected Director of Education and intellectual architect of Switzerland's NPM movement, the Directorate of Education began developing the evaluation system which was eventually implemented in 2000.

The reforms undertaken in Zürich in the late 1990s provide an excellent complement to the Finnish case to test whether strong unions always block reforms they oppose. Because of the diverse ways in which teachers' unions can be involved in decision- and policy-making processes, it is important to consider not only teachers' unions' bargaining power, but also the contingent process through which unions convert their strength resources into political influence. In contrast to the reform of the salary system in Finland which occurred almost exclusively in the bargaining arena, the reforms in the Canton of Zürich occurred almost exclusively within the political domain.

Though the two cases reflect important differences, the objectives are quite similar—to determine why PRP was possible in Zürich and to determine what role teachers' unions played in that process in order to be able to inform theory-oriented questions about the teachers' unions interests and influence.

Like Finland, the Zürich case confirms the importance of economic and policy-making contexts: the reforms occurred immediately after a recession and were part of broader civil sector reforms. However, there are distinctions from the Finnish story—a case in which teachers' unions' basic opposition to PRP was overcome by compromise, which was rooted in their competing preferences and collaborative relational preferences. In Zürich, it seems that the teachers' unions' were 'overpowered': they were 'strong enough' to block the reform through, but not after, 1995. This is a complex and nuanced story, requiring unpacking, but yielding numerous insights.

To facilitate comparability, this case study is similarly structured to Chapter 5. Section 6.2 introduces institutional features that inform the general pattern of education policy-making: federalism and subsidiarity, direct democracy, and consociationalism. Then Section 6.3 outlines the character of unions in Switzerland, with particular attention to the *Zürcher Lhererinnen- und Lehrerverband* (ZLV) in Section 6.4. Section 6.5 explains the reform process, outlining the *Mitarbeiterbeurteilung für Schulleitende (*MAB)[135] system, and the dynamic shifts that can explain both the successful delay of implementation through 1995, and its implementation by 2000. Section 6.6 analyses why the reform occurred in spite of union opposition, arguing that the 'overpowering' of union opposition was both a function of internal weakness and shifts in the external environment.

[135] Previously called the Qualifikationssystem fuer Volksschullehrer (LQS). For simplicity, MAB will be used throughout.

Like the Finnish case, the reforms in Switzerland must be understood within their historical context (See Appendix III.ii). Nation-building in Switzerland—the unification of previously independent cantons—produced many of the relevant institutional features outlined in Section 6.2. And the MAB reforms must be understood within the economic context of the 1990s which was marked by a deep recession and intensified pressures on government sectors. These acute fiscal pressures may have facilitated the emergence and spread of an international trend in Switzerland in the 1990s—NPM. Switzerland's version of NPM was defined and championed by Ernst Buschor, a professor at the St. Gallen University (Switzerland) business school and the head of the Education Directorate (*Bildungsdirektion*) when MAB was implemented in public schools. The economic shifts and contemporary dynamics of the 1990s provide the context in which the MAB reforms were designed and implemented (Section 6.5).

6.2 Institutional Context in the Canton of Zürich

Several significant institutional arrangements characterise the Swiss polity and define the general patterns of decision-making relevant to the MAB reforms (AF, 3): federalism and subsidiarity (6.2.1); direct democracy (6.2.2); and consociationalism (6.2.4). In addition, they inform the relevant set of actors (AF, 4) as well as the particular character of teachers' unions in Switzerland (AF, 5).

Due to the predominance of cantons in education policy (outlined in Section 6.2.2), focusing on a canton—in this case, Zürich—rather than the country was the appropriate unit of analysis. To reiterate what was outlined in Chapter 3, Zürich was not selected on the basis of its representativeness of Switzerland. Rather, it was selected because it was a case where 'successful reform' had been implemented without being blocked by 'strong' unions. However, the particularity of the Canton of Zürich is best understood within the general institutional framework of Switzerland as a whole. Therefore, analysis of the institutional context moves from the general (Switzerland) to the specific (Zürich[136]).

Because the educational bureaucracy played a significant role in designing and implementing the reform in question, the Directorate of Education received special focus. However, though the reform process was based primarily in the Directorate of Education, it occurred in the broader framework of legislative and executive politics as the reform could have been slowed, stopped, or reversed via the institutions of direct democracy. Thus, understanding these political institutions are essential to unpacking what happened and why.

6.2.1 Federalism and Subsidiarity

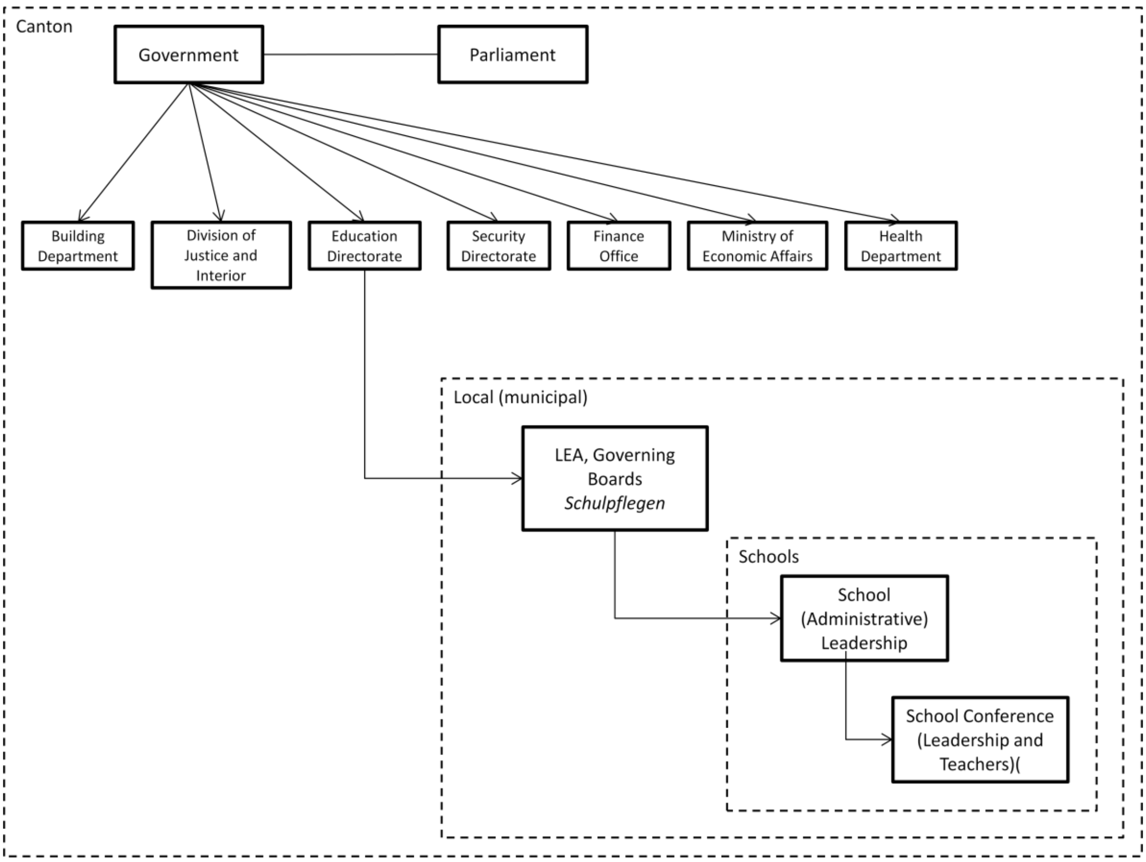
Switzerland is, along with the United States, Canada, and Australia, a 'classic federation', which features non-centralisation—as opposed to de-centralisation—whereby a few competencies are transferred to the central government while preserving significant autonomy and participation to its cantons (Linder & Vatter, 2001). Policy-making in Switzerland may best be described as multi-level. In some areas this means that policy is shared between federal, cantonal, and communal governments. But other policies—like education—are exclusively within the domain of cantons and communes (Linder & Vatter, 2001). This has been attributed to a commitment to subsidiarity, which is closely linked to the principle of federalism and the preservation of cantonal rights and authority (Hega, 2000).

As a result of constitutional non-centralisation, Switzerland's education policy is among the most decentralised in the world (Linder, 1998; Hega, 2000). Federalism and subsidiarity are essential for understanding the distribution of policy-making authority in Switzerland, which determined the unit of analysis of investigation—the Canton of Zürich rather than the nation-state. The federation plays virtually no role in education policy (Hega, 2000). Thus, the reform of teachers' evaluation and compensation system in Zürich in 1999 was exclusively in the domain of the cantonal government.

[136] Though Zürich can refer to either the Canton or the city, in this dissertation, it will refer to the canton unless otherwise specified.

Like at the national level (See Appendix III.iiia for an overview of national institutions), the governance of the canton is shared between the Executive Council (*Regierungsrates Des Kantons Zürich*) and the legislature (parliament). The distribution of Zürich's Executive Council seats across political parties is even identical to the 'magic formula'[137]—suggesting that the conclusions about power-sharing and consensus required by broad-coalitions are also relevant[138]. Each Executive Council member oversees an office of the Government. One member serves as the head of the Education Directorate (*Bildungdirektiont*) which oversees primary through university education.

FIGURE 6.1: Organisation of Education, Canton of Zürich



The *Volksschulamt* (VSA) is responsible for primary schools. Ultimately, municipal governing boards, working with school committees (see Figure 6.1), which are elected by

[137] Since 2003, the formula has been one Christian Democrat (DVP), two Social Democrats (SPS), two Liberals (FDP), and two Swiss People's Party (SVP).
[138] The only notable differences is that the legislature, the Cantonal Council of Zürich is unicameral; its 180 seats are elected every four years.

registered voters, are the ones who implement policies developed at the cantonal level. In terms of human resources, school committees decide teacher appointments. However, cantons retain responsibility for general supervision and management—including budgeting and human resource management. A significant amount of public school finances are provided through taxes levied at the community level. . In Zürich, like the majority of German-speaking Switzerland, communal governments and citizens retain a significant amount of authority over and responsibility for the administration of public education[139] (Hega, 2000). In German-speaking Switzerland, communes typically contribute 50-80% of the funding for compulsory education (Hega, 2000); the contribution of the canton relative to the community varies as the formulas attempt to provide greater funding to communities with greater financial needs. Despite the important role of local community governments in the funding and provision of public education and the fact that communes are responsible for recruiting, evaluating, and retaining teachers, the formal employer of teachers in Zürich is the canton. Salary scales, conditions of employment, and the employment contract are determined at the canton level. It is worth noting that the majority of responsibility for education is divided between the canton and communes—schools have limited decision-making ability[140].

6.2.2 Direct Democracy

Popular referendum—an institutional arrangement designed to protect the rights of cantons and individual citizens in Switzerland's federalist system—has been called the 'linchpin' of the Swiss political system (Immergut, 1992, p. 129). Referenda exert a significant influence on the general pattern of decision-making (AF, 3) as well as the particular character of teachers' unions (AF, 5).

[139] I.e. different 'tracks' of education. Though gymnasium is also 'public' this will focus on compulsory education—1-9 or what is sometimes referred to as 'popular' education. Though much of what is discussed will also be applicable with post-secondary education, there are some differences and specificities.

[140] Schools are unable to determine their own curriculum or the breakdown of lessons and subjects; they have limited influence over teacher recruitment or assessment; and have limited control over budgets.

Referenda and initiatives[141] have a long history in Switzerland: they were established in communities as early as the 15th century, even before they were incorporated in the Montagnard Constitution in 1793 (Ruppen, 2004). Referenda are used at the national and cantonal level, though the 'institutional openness'—the number of signatures required to launch a referendum or initiative and the period of time allowed to gather them—as well as the 'practice of direct democracy'—the uses of direct democracy institutions and the voter turnout, vary across cantons (Barankay, Sciarini, & Trechsel, 2003).

In Zürich, direct democracy has an established history. Discussing institutions of direct democracy in Zürich during the period in question is not a straight-forward task. During the period that the MAB reforms were being finalised and implemented, Zürich changed its laws regarding instruments of direct democracy. The changes were passed on 27 September 1998 and went into effect 1 January 1999 (Fisher, 2009). Tables 6.2 and 6.3 outline the instruments of direct democracy in the Canton of Zürich before and after these changes. Though the initiatives remained unchanged, both mandatory statutory referendum and mandatory fiscal referendum were replaced with optional referendum.

TABLE 6.2 Instruments of Direct Democracy in Zürich through 1998[142]

Direct Democracy Mechanism	**Signatures**	**Time Limit**	**Effective Since**
Constitutional Initiative	10,000	6 months	11 June 1969
Statutory Initiative	10,000	6 months	11 June 1969
Mandatory Statutory Referendum	All formal laws		1869
Mandatory Fiscal Referendum	>20 million (>2 million)		6 June 1971
Optional Fiscal Referendum	5,000	45	6 June 1971

[141] While popular referendum allows citizens to vote on proposed constitutional amendments, laws, or fiscal issues, popular initiatives allow citizens to submit laws or amendments for consideration.
[142] Based on data from Fisher (2009).

TABLE 6.3 Instruments of Direct Democracy in Zürich from 1999[143]

Direct Democracy Mechanism	Signatures	Time Limit	Effective Since
Constitutional Initiative	10,000	6 months	11 June 1969
Statutory Initiative	10,000	6 months	11 June 1969
Mandatory Statutory Referendum	*ABOLISHED*		*1 January 1999*
Optional Statutory Referendum*	***5,000***	***60 days***	***1 January 1999***
Mandatory Fiscal Referendum	*ABOLISHED*		*1 January 1999*
Optional Fiscal Referendum	***5,000***	***60***	***6 June 1971***

**also introduced the extraordinary mandatory statutory referendum*

In addition to these 'ordinary' instruments, 'extraordinary' measures, which allow members of parliament to launch a referendum, are also available (Fisher, 2009; Trechsel & Serdült, 1999). In Zürich, extraordinary mandatory statutory referenda were introduced in 1999 along with the shift from mandatory (ordinary) statutory referendum to optional (ordinary) statutory referendum. According to a recent publication by the Canton of Zürich, the votes of 45 members of parliament are required to initiate a referendum (Rintelen, Wyss, Rohrer, & Grutter, 2010).

Referenda can affect legislation both directly and indirectly. When exercised, referenda can be a stumbling block to legislation as voters may view a policy differently to political parties or interest groups who are likely to be a part of the pre-referendum process. Furthermore, negative votes are more likely as it is easier to mobilise opponents of a piece of legislation than proponents[144]. The threat of these direct effects also has an indirect influence on the Swiss policy-making process. Due to the tendency for negative votes in a referendum, policy-makers generally attempt to avoid referendum challenges—not wanting to see hard legislative work overturned by a small but vocal block of citizens. As Immergut argues—the most successful referenda may be those which never occur. Echoing Immergut's view, Armingeon suggests that the frequent use of optional referenda signals a "failure of the Swiss political system to develop

[143] Based on data from Fisher (2009)
[144] "The propensity of issue-specific referendum votes to be negative can be explained by the problems of collective action. Voters will participate more actively in referenda to the extent that they feel directly affected by the proposed legislation and to the extent that they feel that their individual vote will actually make a difference to the outcome. Because voters respond more strongly to perceived costs than to perceived benefits, those who view the legislation as a cost are more likely to vote than those who view it as a benefit. Further, members of smaller groups with relatively homogeneous interests are more likely to evaluate proposed legislation in similar ways and to feel that their individual votes are significant than are members of larger, more diverse groups" (Immergut, 1992, p. 134).

compromise solutions through the inclusion of a large number of political actors" (Obinger, et al., 2010, p. 193).

Politicians attempt to seek out potential opponents of legislation and try to win over those opponents—often interest groups—early in the policy-making process (Immergut, 1992, p. 135). One result of dealing with the strategic uncertainty created by the threat of referenda has been an increase in the political influence of organised interest groups, as the Swiss political system has developed approaches to facilitating widespread consensus via compromise solutions (Obinger, et al., 2010):

> …armed with the membership and financial resources necessary to call for referendum challenges, Swiss interest groups have wrested a niche for themselves as 'gatekeepers' to the referendum process. As intermediaries between political elites and the public, interest groups have exploited their pivotal position in the chain of decision-making to demand extraordinary concessions during the policy process. This gatekeeper role has given a few electorally unimportant interest groups a disproportionate voice in health policy making, and, further, has placed interest groups at the centre of Swiss policy making more generally. (Immergut, 1992, p. 130)

This suggests that in Switzerland, the influence of a given interest group is not necessarily correlated to its size. The critical threshold may not even be for groups to be large enough to determine the electoral outcome of a referendum, but simply large enough to launch it. Referenda and initiatives may provide a direct avenue for interest group participation and influence, an important consideration regarding the power of teachers' unions in the Canton of Zürich, discussed in Section 6.4. However, direct democracy also exerts an indirect influence on Switzerland's policy style as politicians are incentivised to develop broad coalitions through extensive consultation and collaboration in an effort to avoid a referendum challenge. This consensus-orientation, or what has been called Swiss *konkordanz*, may provide a variety of informal opportunities for interest groups to be involved in and exert influence upon decision- and policy-making processes.

6.2.3 Consociationalism, Consensus-orientation, and Konkordanz? Approaches to generating agreement

The formal institutional features of federalism, subsidiarity, and direct democracy are fundamentally linked to the consensus-orientation of the Swiss political system, another constitutive element of the Swiss polity. Switzerland has been identified as a 'small corporatist state' (Katzenstein, 1985) and one of Lijphart's 'consociational democracies'[145] (Lijphart, 1968; Lijphart, 1969). Consociationalism significantly informs both the general patterns for policy-making (AF, 3), the relevant set of actors involved in reform processes (AF, 4), and the particular character of teachers' unions (AF, 5).

In the Swiss case, many have argued that consensus-seeking orientations and processes are a by-product of direct democracy (Ladner & Brändle, 1999; Wagner, et al., 2004; Immergut, 1992[146]; Aubert, 1989). Though direct democracy represents a formal decision point, or what Immergut would call a veto point (1992; Tsebelis, 2002), it is also a process (Frey, 1994). In addition to the pre-referendum and post-referendum discussion stages (Frey, 1994), consensus-oriented processes are also facilitated and incentivised as politicians attempt to avoid a referendum, as discussed in the previous section. Ladner and Brändle argue that:

> In a direct democratic system the possibility of blocking any decision by questioning the government's proposals through a referendum makes thorough negotiation between the various interests involved absolutely necessary. It is basically the threat of a referendum that can endanger a carefully arranged compromise after its deliberation in parliament that has fundamentally changed Swiss democracy from a true plebiscitarian democracy *to one characterised by negotiation*. (1999, p. 85, emphasis added)

[145] See Appendix VIII for further discussion of 'consociational democracies'.
[146] "Swiss politicians work hard to prepare legislation that will not be subject to a referendum challenge. To achieve this end, they seek outsources of potential opposition to legislation and try to placate those opponents early on. As the general public has no mechanism for making its wishes entirely clear—the referendum votes are after all limited to "yes" or "no" votes—politicians question interest groups closely" (Immergut, 1992, p. 135).

A consensus-orientation can certainly be seen in the design of Swiss political institutions—perhaps most notably in the 'magic formula' that perpetually ensures a broad governing coalition—and the way they incentivise cooperation between political parties. However, the groups who are privileged or have the most significant role in the extensive consultation process prompted by the threat of referenda are not the political parties, but the interest groups (Beyme, 1982, p. 228, as cited in Ladner & Brändle, 1999). The importance of consultation extends across policy-making arenas, including education policy (Wagner, Santiago, Thieme, & Zay, 2004).

Wagner and colleagues suggest that the wide-spread consultation used in Switzerland is a direct result of direct democracy, arguing that the threat of referenda encourages public authorities "at all levels to consult widely so as to arrive at decisions that enlist near-consensus support" (2004, p. 26). Thus, unions have at least two avenues to participation in Zürich: formal and informal consultation and using referenda to either initiate or challenge policy.

6.3 Trade Unions in Switzerland

How do these institutional arrangements facilitate or constrain teachers' unions' involvement or influence on the education policy-making process in the Canton of Zürich? What role did teachers' unions play in the implementation of the MAB system? Understanding the position of teachers' organisations in the political landscape—their organisational resources and professional power—is essential (Section 6.4). However, a proper understanding of the position of teachers' organisations is best established within the larger context of the history and development of labour relations in Switzerland.

6.3.1 Trade Union History

Swiss labour relations have received limited scholarly attention (Mach & Oesch, 2003). Perhaps this is because through the 1980s, if Swiss industrial relations were referenced, the focus was usually on Switzerland's status as a 'country without strikes', achieved through its ‘peace obligations’ (Aubert, 1989). However, it is important to develop a richer picture of the contemporary role and historical development of Switzerland’s trade union movement.

Though, with the ‘magic formula’ of the Federal Council and through proportional representation in the National Council, Christian and Social Democrats gained a ‘seat at the table’; historically, Switzerland’s politics have been characterised by right-party dominance and relatively weak trade unions (Obinger, et al., 2010, p. 193). The process of industrialisation did not benefit the labour movement for three primary reasons: there was a lack of urban concentration in Switzerland; unions failed to win ‘peasants’ as allies, unlike the Nordic countries; and because diversity of religion and language amongst citizens as well as the division between citizens and immigrants inhibited working class solidarity (Oesch, 2011). Thus, unions remained relatively weak.

It seems that cantonal interests and cultural solidarity amongst minority populations have always exerted a stronger influence at the national level than class interest or action. Linder argues that the dominance of cultural segmentation instead of class solidarity hampered the development of left political coalitions (1998, p. 29).

Despite the notable right-dominance of its political economy, Switzerland has a long-established history of collective agreements. However, despite the long history of collective agreements as well as the growth of collective agreements after World War II, the ‘strength’ of unions as indicated by traditional measures like union density is low in comparative context (Aubert, 1989). In Switzerland, union membership is less than one-third of the workforce in any industry. Overall, in 2009, 21.3% of the workforce belonged to a union (Ackermann & Moser-Brossy, 2009). Table 6.5 shows trends in union membership in Switzerland. Though the trends for the biggest unions—the SGB,FÖV, and VSA[147]—mirror the global secular decline in union

[147] This is the only time when ‘VSA’ will be used to refer to the union rather than the education department[147] There are two main trade unions in Switzerland—the Swiss Federation of Trade Unions (SGB) and the Travail Suisse. The Swiss Federation of Trade Unions is historically the socialist/secular union and in 2008 372,000 members amongst its 15 umbrella organisations—including its largest, UNIA, which represents 50% of the SGB’s membership (Ackermann & Moser-Brossy, 2009). Travail Suisse, formed by the merger of a protestant and Catholic union, is smaller—representing 163,000 members

membership, membership for teachers and other public sector employees have grown or held steady (Table 6.4).

TABLE 6.4: Evolution of membership in the four major union confederations [148]

	SGB	FÖV*	VSA	CNG	Others	Total
	Schweizerischer Gewerkshafts-bund	*Föderativ-verband des Personals öffentl. Verwaltungen*	*Vereinigung Schweizer Angestell-tenverbänd*	*Christlich-nationaler Gewerk-schaftsbund*	*(teachers, policemen, nurses, etc.)*	
1980	459,000	160,000	144,700	103,200	146,200	868,000
1990	443,900	165,900	135,600	116,500	158,500	876,400
1995	419,800	169,400	127,100	99,200	166,500	832,900
2000	373,200	151,000	103,000	102,300	152,000	754,000

Source: Ackermann, various years; Bauer-Füglister, 2000, * 90 percent of the members of FÖV are also affiliated to the SGB; they are included in the SGB membership but not double-counted in the total.

In Switzerland, the union movement generally, as well as teachers' unions in particular, is fragmented, with confessional divisions as well as manual and non-manual divisions. Umbrella organisations—like the SGB (*Schweizerischer Gewerkschaftsbund*) in the private sector, which primarily organises manual workers and the LCH (*Dachverband Schweizer Lehrerinnen und Lehrer*), which organises German-speaking teachers—can make recommendations but cannot enforce these recommendations on their member organisations (Flückiger, 1998). Despite more frequent industrial disputes in 1945-1947, Swiss unions are not particularly militant. Perhaps because of the weakness of the political left, as early as the 1930s, the trade union movement did not see strikes as the best means of obtaining concessions (Aubert, 1989). Furthermore, the political environment—which encourages consensus and provides unions and other interest groups with opportunities to be involved in political decision-making—as well as cultural values may discourage strikes; a survey conducted in 1972 indicated that the public condemns all violent action and is ambivalent about demonstrations (Sidjanski, 1974).

(Ackermann & Moser-Brossy, 2009). There are 213,000 employees represented by independent unions, bringing the total of unionised employees to 748,000 in 2010 (Ackermann & Moser-Brossy, 2009).

[148] From Mach & Oesch, 2003, p. 164.

6.3.2 Collective Bargaining in Switzerland

Unions in Switzerland have been described as “subordinate partners in decentralised and consensual industrial relations” (Oesch, 2010, p. 2). Though unions benefited from economic growth which fuelled wage increases and labour market expansion which added to their memberships through the 1980s, employers took a more aggressive stance in the 1990s (ibid). If the decision-making domain for this case were the bargaining arena, there would be real questions as to whether Swiss unions could be considered ‘powerful’. For example, though teachers unions’ in Zürich participate in consultation over wages, the final decision rests in the hands of the government and is ultimately a political question linked to larger budgetary questions. Though wage systems are the responsibility of the Education Directorate (Regierungsrates des Kantons Zürich, 1997a), it has limited influence on the amount of money available for teachers’ compensation—that decision is made by the Finance Department, under the constraints of political decisions in parliament about tax levels (Bertschi; Wendelspiess; ZLV.Leader).

Though LCH.Leader said that unions ‘bargain’ with the government about wages, it seems that ‘consultation’ might be a more apt label. According to ZLV.President, “you have the bildungsdirektion and the financial department…They don’t negotiate with us. They tell us ‘you get this, this, and this’. They tell us one day before they go to the media”. However, the response of organised labour to their ‘disadvantaged’ position in bargaining has been to shift their attention to political influence:

> Unions’ position in corporatist policy-making is to some extent secured by Switzerland’s direct democratic institutions: by enabling large interest groups to call a referendum on laws they oppose, they give unions a semblance of veto power. (Oesch, 2010, p. 5)

Therefore, the focus on unions’ strength in Switzerland—and the strength of teachers’ unions in Zürich in particular—is on their political influence as it is the relevant decision-making domain in this case, as well as the primary avenue for union influence in general.

6.4 Teachers' Unionism in Switzerland: The ZLV

In light of the broader dynamics of industrial relations in Switzerland, two key dimensions must be considered regarding teachers' unions' strength resources and potential influence. First, one must consider the ways in which teachers, as 'professionals' may have unique opportunities for influence relative to other organised occupations (Section 6.4.1). Second, it is important to consider the size of teachers' unions' membership and other organisational resources in Zürich in terms of their potential power as an interest group. As Section 6.4.1 makes clear, teachers' organisations in Zürich are professionally weaker than teachers in Finland, but they are 'strong enough' organisationally (6.4.2).

6.4.1 The Professionalisation of Teachers in Switzerland and Zürich

As was the case throughout Switzerland and Europe, the forerunner to state-provided and administered public education in the Canton of Zürich was church-provided education (Tröhler, 2011). However, the marked shift away from a church-centric model for the provision of education began in 1830 when 10,000 men in the city of Zürich demanded a new constitution, which was established in 1831, and established education as the responsibility of the state (Tröhler, 2011). The new system established a state board of education or education council who was responsible for overseeing education throughout the Canton. The Education Council mandated the establishment of lay school boards (*schulpflege*) in each district or commune, providing an opportunity for civic representation[149], a tradition still reflected in the contemporary organisation and governance of schooling in the Canton of Zürich (Tröhler, 2011).

Alongside school boards, 'school synods'—bodies primarily composed of teachers and providing self-governance in the school arena, in the absence of principals, which were not introduced in Zürich schools until the last ten years—throughout the 19th century were active in

[149] In rural communes the other six members of school boards were elected; in the city two members were appointed by the church, two by teachers, and three by the public (Tröhler, 2011).

advocating for changes in schooling and the development of the teaching profession (Tröhler, 2011).

Though up to this point, the development of the teaching profession in Switzerland mirrors the history of the profession in Finland, the paths parted ways in the 1970s. In Finland, teacher education was reformed in the 1970s (Section 5.4.1), moving all teacher training to the university and elevating the training and credentials of all teachers. In contrast, in Switzerland, though gymnasium[150] teachers were university trained, primary teachers were still educated at the upper secondary until the Teacher Education Act in 1999 (Schneebeli, 1998c). Though there have been many recent developments in terms of teachers' professional training, these are quite late developments and reflect a lower level of professional attainment and prestige for the teaching profession as a whole, in contrast to Finland. This means that the 'science of teaching' is less well developed in Switzerland (LCH.Leader) which complicates unions' efforts to organise teachers around a common professional ideal.

According to measures of professionalism that are linked to training and credentials, teachers in Switzerland lag behind some of their peers. This may be significant for understanding the lack of consensus around professional ideals or goals reflected in the views of union leaders (LCH.Leader). However, the late development of university training should not be viewed as an unequivocal sign of low professional standing for teachers in Zürich. Bertschi explained that public education is regarded as important—the foundation of Zürich's success—and highly-regarded, and that teachers are similarly respected—ranked among priests and doctors.

6.4.2 Teachers' Union Organisation

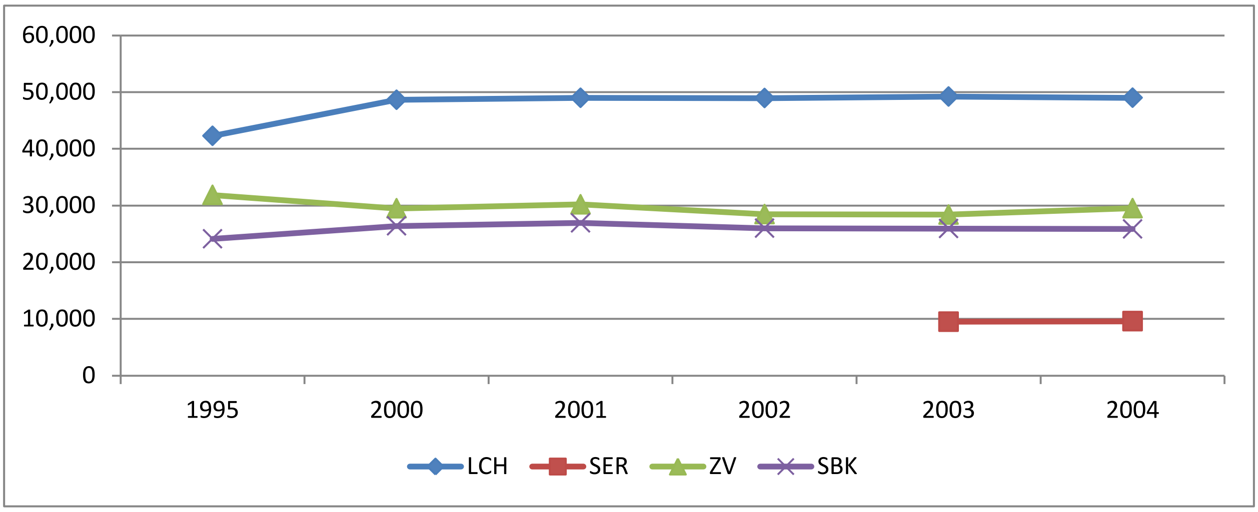
In terms of union size and density, nationally, two-thirds of Switzerland's 100,000 teachers are members of a union (Wagner et al. 2004). Three independent unions represent teachers. The largest of these is the Association of Swiss Teachers (LCH/ECH) which represents

[150] Academic secondary school

50,000 teachers across its 20 cantonal organisations; the Swiss public-service union (the *Schweizerischer Verband des Personals öffentleher Dienste/Syndicat Suisse du personnel public,* VPOD/SSP) represents 4,400 teacher members among its ranks, which also include other public service personnel in health, transport, social services, and other industries; and the *Syndicat des Enseignants Romands* (SER) is the regional union in French-speaking Switzerland and represents 10,000 members (Wagner, et al., 2004).

The particularities of teachers' unions differ from the broader labour movement in a few important respects. First, though Swiss unions experienced a decline in membership through the 1990s, membership in teachers' organisations and other public sector or 'professional' organisations have held relatively steady (Chart 6.5). This is an important reminder that the strength of teachers' organisations can diverge from general trends in a country's labour movement.

CHART 6.5: Union Membership for Professional and Public Sector Employees[151]



Source: Ackermann & Moser-Brossy (2011).

Second, though linguistic and confessional divisions significantly weaken the national union movement, the impact on teachers' unions is less significant. Because education is almost exclusively within the cantonal domain, linguistic divisions are largely irrelevant; for example,

[151] ZV represents state and municipal sector employees (*Zentralverband des Staats- und Gemeindepersonals de Schweiz*); SBK represents nurses (*Schweizer Berufsverband der Pflegefachfrauen und Pflegefachmänner*).

in Zürich, SER has no presence. However, even at the cantonal level, the union movement is fragmented: through 1999, there were two unions in Zürich—the *Zürcher Lhererinnen- und Lehrerverband* (ZLV) and VPOD, which was described as 'left-leaning' and is a broader 'traditional' union who also has some teacher members (Zürich.Union_Leader). However, the ZLV, an affiliate of the LCH, is the largest teachers' union in Zürich, by far—representing between 4,000-5,000 teachers in 1998 ("Eine starke stimme", 1998).

Though through 1999 there were only two unions (ZLV and VPOD), tensions developed within the ZLV in the late 1990s and two sub-organisations within the ZLV who represented secondary teachers—OKRZ and SKZ—split from the ZLV in 1999 and formed SeKZH (Schneebeli, 2000b). The significance of this split is discussed in greater detail in Section 6.6.

Because both the VPOD and SekZH organise a relatively small percentage of teachers—relative to the total number of teachers as well as the representation of ZLV—and the SekZH was still a member of the ZLV throughout the majority of the reform process, the ZLV and its actions and influence were the primary focus of investigation[152]. They were the teachers' organisation that was the 'strongest' in terms of organisational resources and was best positioned to influence the reform process. VPOD and SekZH were not excluded; they simply were not *central* to the analysis. Therefore, analysis of unions' organisational resources focuses primarily on the ZLV and its umbrella organisation, the LCH[153], as it was the only organisation that appeared to have enough members to potentially leverage successful influence on its own.

6.4.3 Conclusion: Particular Character of the ZLV?

Relative to union density in the Nordic regions, unionisation levels confirm the historic weakness of unions in Switzerland. However, this 'relative weakness'—as measured by union density—should not be construed as an absence of union power. As a result of the process of direct democracy in Switzerland, any group that is large enough to mount a referendum can

[152] The views of leaders of the SekZH and VPOD were also gathered.
[153] The LCH, as the umbrella organisation supports Cantonal organisation in achieving goals of professional advancement and improved working conditions.

gain influence in Swiss politics (Linder & Vatter, 2001)—a system that is very open to influence by pressure groups (Katzenstein, 1984).

And despite the historic weakness of left parties and labour unions in Switzerland, they did successfully block a number of pieces of legislation through referenda in the 1990s (Oesch, 2011). So the historical numeric weakness of organised labour must be balanced against the unique political and institutional structures—direct democracy and power-sharing—that may provide them with influence at times. The key questions in the case of Zürich, in terms of the problem-oriented questions guiding this research, and the role of teachers' unions in reform processes are: When it comes to the political influence of teachers' organisations, at *what times* do they have influence? Why are they able to exert influence (or not)?

The answer to these questions, based on the general patterns of policy-making and its implications for the relevant actors and the character of teachers' unions outlined in the previous sections seems to be that the unions' influence on policy was indirect. Their success was linked to their ability to present a credible referendum threat and to successfully apply pressure through informal consultation: "the most important criteria…to be heard in the pre-parliamentary procedure is the capacity to mount a successful referendum challenge" (Linder & Vatter, 2001, p. 103).

To a large extent, the ability to successfully challenge legislation through a referendum is a numbers game, depending on an organisation's ability to unify and mobilise its membership around a given position. Even under the slightly less accessible instruments of direct democracy which came into effect in 1999—requiring 5,000 votes for an optional statutory referendum or 45 parliamentary votes for an extraordinary statutory referendum instead of a mandatory statutory referendum—the ZLV appears to have the "capacity to mount a successful referendum challenge" (Linder & Vatter, 2011, p. 103). The ZLV had approximately 5,000 members in 1998, and according to Bertschi and ZLV.President over 30 members of parliament were teachers or retired teachers and are likely amenable to 'teachers' interests'—putting the ZLV very close to the threshold of 45 members.

Sections 6.2-6.4 have demonstrated that the ZLV *could* have influenced reforms. The ability—or inability—of the union to leverage this influence to effect or alter the reform path is the subject of the analysis of reforms in Section 6.6. But first, Section 6.5 takes a closer look at what happened.

6.5 What Happened?

In 1999, the MAB was implemented. It was developed in 1996 and 1997 and approved, with some changes and adjustments, after going through a formal consultation process from 1997-1998. However, the process started much earlier, in the late 1980s. The story in Zürich was one in which performance-evaluation—and consequences for salaries—was *eventually* implemented against the opposition of teachers (Legler, et al., 2008). Unpacking what happened in the development of the MAB system is complex and is the product of several factors—each providing a partial account for its development. These factors are outlined in Sections 6.5.1-6.5.3, but first the major features of the MAB system, must be introduced.

Though communities in Zürich bear significant financial responsibility for financing schools, funds to compensate teachers are provided at the canton level. This system helps to ensure that all teachers across the canton receive equitable compensation regardless of whether they teach in a more or less affluent community. The Canton also regulates the number of teachers that a school can employ per student population, though the formula is adjusted for student characteristics like students with special needs and language learners (Wendelspiess). As outlined above, prior to the implementation of MAB, teachers were compensated based on a standard salary schedule that was linked to their type of school (elementary, lower-secondary, or upper-secondary) and years of experience. However, the ability of teachers to progress through the salary scale was dependent on adequate funds being available at the Cantonal level.

If there were not adequate revenues to provide salary increases for teachers, salaries were 'frozen', as occurred in the mid-1990s (Bertschi; Buschor; Schneebeli, 1999b; Wendelspiess).

Rather than automatic step increases, MAB provided a new way to determine which teachers were eligible for raises. The evaluation was based on up to four components: the report based on observations of lessons (*Beobachtengsbericht*), an interview (*Erkundengsbericht*), a written document from teachers (*Dossier*), and a self-declaration or self-evaluation (*selbst-beurteilung*). There were four classifications in the MAB[154]: a score of IV was deemed unsatisfactory and could result in a teacher being terminated[155], a score of III resulted in some intervention—training and coaching—in the areas deemed in need of improvement, II was a 'good' score and theoretically qualifies early-to-mid-year career teachers for raises[156], and I was the highest score, and is required for late-career teachers to reach the maximum salary **(**See Appendix III.iiib for a more detailed overview of the MAB system and its evolution**).**

Each year, the Canton gives a quota for promotions and which teachers are eligible for promotions given an adequate MAB score—for example 3% of the total salary is allocated for promotions and is allocated for teachers with one to four years' experience. Then the communities allocate the promotions according to the MAB results. In order to attempt to address the way that the salary freeze of the 1990s had disproportionately affected younger teachers[157], the MAB was introduced with a 'sliding' scale in terms of earning raises: beginning teachers only needed to be ranked as 'sufficient' (level III) to earn a raise, while teachers at step 4-18 needed to score 'good' (level II), and teachers at step 18+ had to be 'very good' (level I)[158].

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[154] The number of classifications was decreased from six to four in the consultation process due to teachers' opposition.
[155] Two MAB scores of IV are required to fire a teacher; but if a teacher receives a IV, he is evaluated within four months. According to Wendelspiess, this happens with about five teachers per year.
[156] In practice, many interviewees reported that there is often enough funding for II's to receive raises; therefore, evaluators often classify all II's as I's.
[157] Because they were unable, under the salary freeze, to move up the ladder, while senior teachers had already received these increases.
[158] An article published in 2003 (Anon., 2003) provides an example of how the system functions: in the previous year (2001-2002), teachers in wage levels 4-10 (with sufficient MAB evaluations) were eligible for promotions; and in the current year (2002-2003), teachers in wage levels 11-15 were eligible. However, one of the major challenges is that the majority of teachers are rated as 'good' and are hypothetically entitled to a wage increase, but there are not enough funds. Through 2003, 98% of teachers were rated as 'good', but only 30-50% received increases due to lack of funds (Staubli, 2005).

Though this system was implemented in 1999, the story of the MAB system begins earlier—before the development of the system was initiated in 1996, and before Ernst Buschor became the Education Director in 1995. The story of what happened stretches over a decade and sits at the nexus of a variety of factors and events linked to the precedent of past legislation, economic conditions, and shifting political debates. Each of these factors are addressed in Sections 6.5.1-6.5.3.

6.5.1 Delayed Realisation of a Legal Mandate

One factor that clearly emerged from all interviewees was the significance of prior legislative action in the eventual development and implementation of the MAB system. This legislation—SBR 1987/1991—is an important component of the story of reform. Though it provides an incomplete account of the reform process—as Sections 6.5.2-6.5.3 makes clear—the role of this legislation is an essential component of what happened in Zürich (Figure 6.6). SBR 1987/1991 (**1b**), came into effect in 1991[159], overhauled civil service salary regulations and incorporated a salary plan that was based on individual salaries linked to a “results-based advancement and promotion concept” (Regierungsrates Des Kantons Zürich, 1996a):

> A central element of the new salary scheme is performance-related pay, which is linked to the compulsory performance evaluation. It dictates that officials and employees must have certain qualifications and that they must go through a systematic performance evaluation before they can earn a higher salary or be eligible for promotion to the next salary level. (Regierungsrates Des Kantons Zürich, 1996a)

Ultimately, SBR 1987/1991—which included a ‘teacher salary regulation’ (Bill 2108a, Regierungsrates Des Kantons Zürich, 1996a)—is the legislation that provided the legal authority and legitimacy (**2**) for the design of the MAB system from 1996 to 1998 (**3a-d**) which was implemented in 1999 (**3e**) (Bertschi; Buschor; Wendelspiess; LCH.Union_Leader). The Personnel Law (**1d,** *Personalgesetz* § 177.10) and related Teacher Personnel Law (**1e,**

[159] The governing council approved the main bill in March 1990 and the commission then developed the system in a series of meetings from 10 July 1990 to 15 January 1991 (Regierungsrates Des Kantons Zürich, 1996a).

Lehrerpersonalgesetz § 412.31), which were passed in 1997 and 1998 further elaborated the prescriptions of SBR 1987/1991. Specifically, these laws established the right of all government employees (including teachers) to have a regular performance evaluation (Bildungsdirektion Kanton Zürich, n.d.).

FIGURE 6.6: Timeline 1—Delayed Realisation of a Legal Mandate

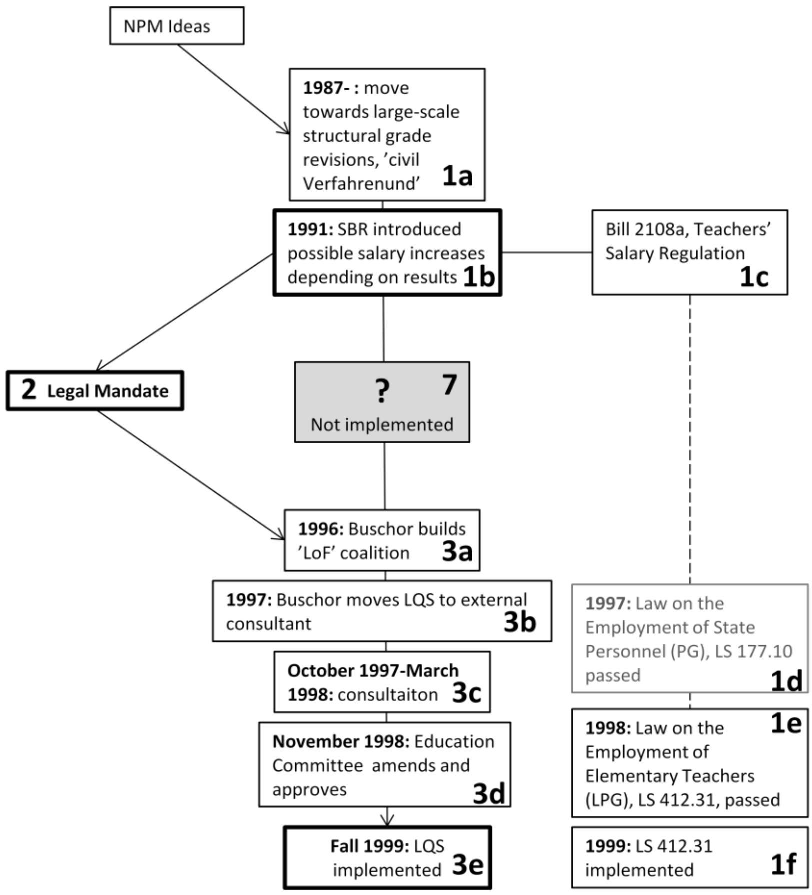


Figure 6.6 provides a provisional timeline of key reform events structured around the assumption that the key driver of the MAB reforms from 1996-1999 was the realisation of the legal mandate established by SBR 1987/91. However, this account raises an important question: if the legal mandate was created by the legislation in 1991, why was there an eight year lag between the passage of the legislation and the implementation of the system (**7**)?

Though many retrospectively identified SBR 1987/1991 as providing the legal mandate for reforms (Bertschi; Buschor; Wendelspiess; LCH.Union_Leader), the implications of the legislation for teachers were contested and unresolved throughout the mid-1990s. Though it was stated that Bill 2108a (**1c**) allowed the "individualisation of teachers' pay based on performance to *a certain extent*" (Regierungsrates Des Kantons Zürich, 1997a, emphasis added), according to a report from the Governing Council in 1996:

> This system (of compulsory performance-evaluation and promotion, used throughout the civil sector) is also set to be widened through the special legislation, to cover teachers in primary schools, middle schools and vocational schools, although this has so far yet to be implemented… (Regierungsrates Des Kantons Zürich, 1996a)

The reference to 'special legislation' appears to refer to the Law on the Employment of Elementary Teachers (LPG)[160] which was approved in 1998 (**1e**) and implemented in 1999 (**1f**). It affirms the role of assessment and evaluation (Bildungsdirektion Kanton Zürich Volksschulamt, 2009), gives the Education Directorate responsibility for MAB (Buschor 2005), and outlines the MAB guidelines, including the consequences of a 'very poor' evaluation (Bildungsdirektion Kanton Zürich Volksschulamt, 2009). Thus, despite the retrospective assessment that SBR 1987/1991 provided the legal mandate for action, its application to the education sector was not a foregone conclusion in 1996. Something shifted or changed in the mid-1990s in order to make the legal mandate a reality.

Though 'MAB reforms as fulfilment of the legal demands of SBR' is part of the story of the reforms as it was a significant component of the administrations' argument for and defence of the reforms, it is an incomplete explanation of what happened. It does not explain why the legislation was applied almost immediately throughout the civil sector (see Section 6.5.3), but delayed in the education sector. In order to understand the implementation timing in the education sector, other explanations must be considered.

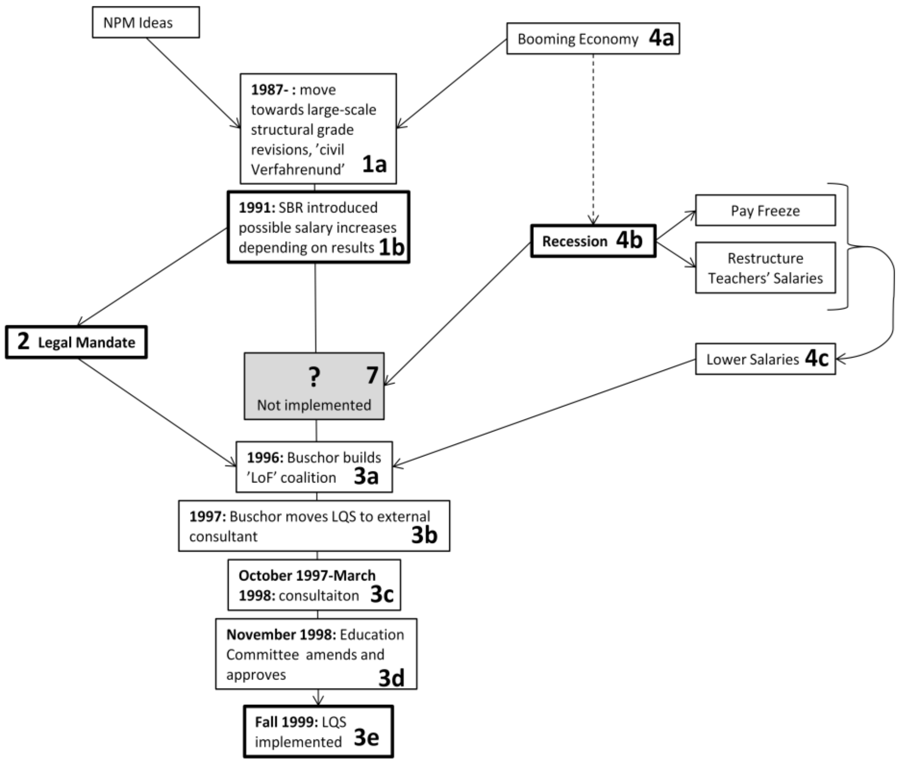
6.5.2 Economic Factors

Though the significance of the legislative mandate provided by SBR 1987/91 is a critical part of the story, it only provides a partial explanation, leaving many questions unanswered.

[160] An application in the education sector of LS 177.10, the Law on Employment of State Personnel (**1e**).

Changing economic conditions provide one hypothesis to explain both the timing of MAB's development and implementation as well as an explanation for the period of delay. Figure 6.7 builds on Figure 6.6, adding key economic developments to the importance of the legal mandate.

FIGURE 6.7: Timeline 2—MAB Reform in light of Economic Drivers



In the late 1980s, the government recognised the importance of keeping public sector employment to be competitive with the private sector and perceived that, in the context of the economic boom of the 1980s (**4a**), the civil sector lacked 'competitive leverage' (Regierungsrates Des Kantons Zürich, 1996a). Rather than an effort to cut back civil sector pay or employment, SBR 1987/1991 was a response to the demands of occupational groups demanding higher salaries, under the justification of inter-sectoral competitiveness (Regierungsrates Des Kantons Zürich, 1996a).

However, the conditions of growth upon which SBR 1987/1991 was based reversed in the following decade (**4b**) and prevented the promised wage improvements from being realised (Buschor). In light of the recession, parliament passed Bill 3263 in 1992 which gave the

Governing Council the authority to suspend wage increases or promotions when necessary. The Governing Council exercised this authority and, as a result, there were no step-increases in 1993 or 1994, and limited inflation-related raises (Regierungsrates Des Kantons Zürich, 1996a). Thus, the 9% increases projected by SBR 1987/1991 were never realised, civil sector salaries lagged behind inflation, and the actual wage developments in the mid-1990s were lower than what would have been realised under the old salary system (Regierungsrates Des Kantons Zürich, 1996a).

Thus, rather than promised wage improvements, public employees received wage cuts (Wendelspiess, 2000). Teachers' salaries were included in these salary freezes, but were further affected by wage restructuring[161] which reduced teachers' starting salary by 8% and extended the period required to achieve the maximum salary (Schneebeli, 2000a; Anon., 1998). These measures were introduced in 1996 and saved the canton 20 million francs (Schneebeli 1998d; Anon., 1998).

So perhaps, though it was legally possible, an MAB system was never implemented in the education sector for two reasons: First, there was no compulsory evaluation system for teachers and second, because salaries were frozen in the mid-1990s (Regierungsrates Des Kantons Zürich, 1997a). If no grade promotions were possible, why develop the system?

In addition to providing an explanation for the lag between legal mandate and implementation, economic forces can also be deployed, alongside the legal mandate account, to explain the impetus for the development and implementation of the MAB system in the late 1990s. The improvement of economic conditions in the late 1990s, making salary step increases possible again, was the explanation for pushing for an MAB system in 1996. The administration argued that a compulsory evaluation system had to be developed and implemented in order to be in compliance with the law and in order for teachers to be able to get raises (Regierungsrates Des Kantons Zürich, 2001):

[161] Bill 3460 (Regierungsrates Des Kantons Zürich, 1996a).

…this (the absence of a compulsory performance evaluation system) is why there has as yet been no opportunity for teachers to be upgraded to a higher salary level. (Regierungsrates Des Kantons Zürich, 1996a)

To allow teachers also to have the opportunity of moving up a salary class, the Education Department is creating an evaluation system for primary schools, which will be applied as soon as possible. (Regierungsrates Des Kantons Zürich, 1997a)

The recession and its effects likely played an important role in the reform process. In combination with the 'legal mandate' argument, it provides a better explanation than the 'legal mandate' argument alone. The government certainly argued that the evaluation system was required by law and was the only way for teachers to earn raises.

In terms of the lag between legal mandate and implementation, the premise of the 'economic conditions' account is that performance evaluation in education was delayed because there was no compulsory evaluation system for teachers and second, because salary freezes removed any incentive to develop or implement a system. In combination with the importance of the legal mandate, economic drivers provide a coherent and *plausible* account for the timing of changes—including the delayed implementation through the mid-1990s. However, though the account is plausible, it ignores two important facts. First, an evaluation system *had* been developed in the early 1990s—challenging the idea that there was no system and that the economy undermined any motivation to create one. Second, SBR 1987/91 was applied throughout the public sector—virtually everywhere except education—in spite of the *same* economic environment and its challenges.

6.5.3 The Undeniable Role of Teachers' Opposition

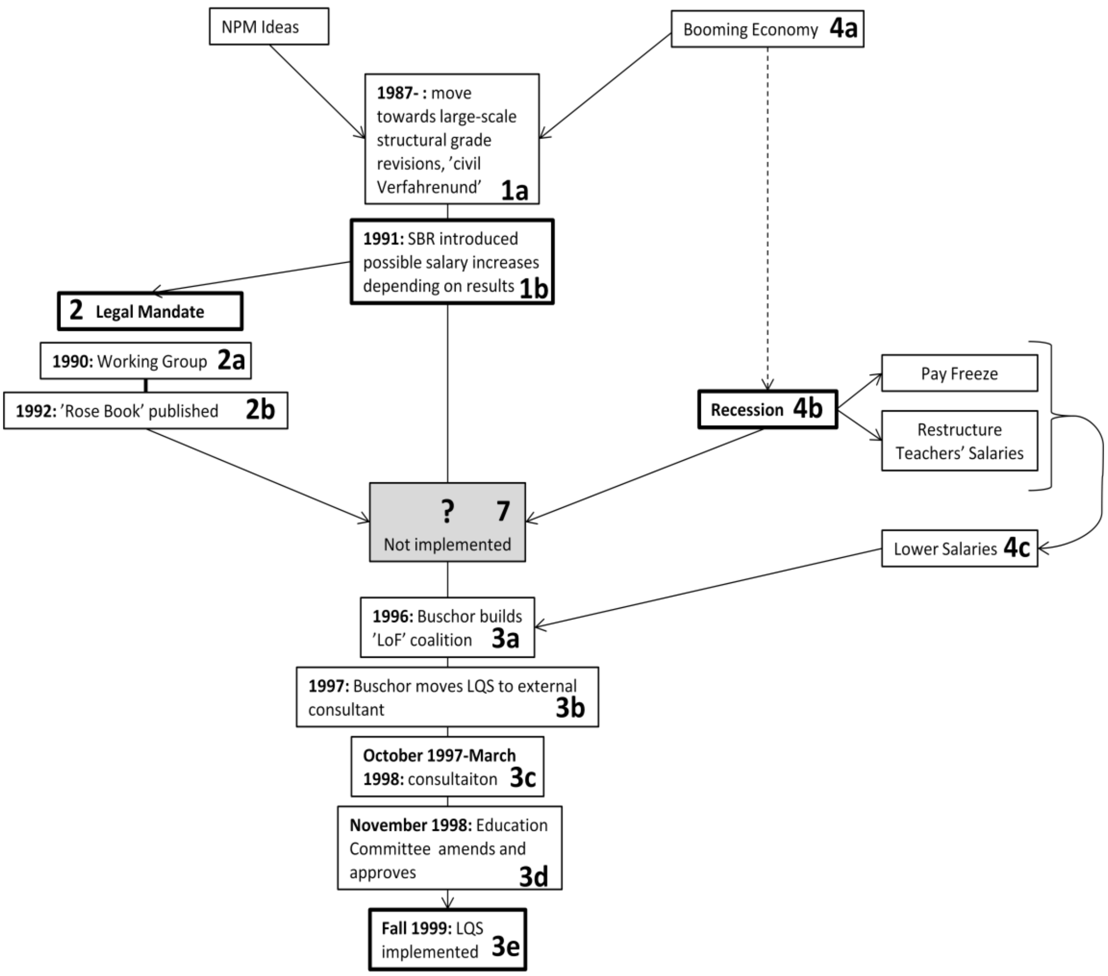
The adoption of SBR 1987/1991—requiring an evaluation system to be in compliance with cantonal law and for teachers to receive raises—and the improved economic conditions which made raises possible, provides a straight-forward explanation of the push to reform in 1995:

> (Buschor) said, now I have problems because in the law it says, if you want to have more money, more salary, you need a qualification, you need an (evaluation) of your performance and for teachers there is no form…so if we don't have it we can't increase the salaries. (Bertschi)[162]

However, it seems to be an oversimplified account. The absence of a compulsory evaluation system—an oft-cited reason for delay (Bertschi; Legler, Sigrist, & Wehner, 2008)—also provides a misleading account. Though the statement that there was no 'compulsory evaluation system' (Legler, Sigrist, & Wehner, 2008) for teachers through the mid-1990s is *technically* true, it is potentially misleading. Though no system had been formally implemented, the Wif!/LoF (**3a/3b**) committees created in 1997 were not the first to be tasked with the creation of an evaluation system for teachers (Figure 6.8). The Education Department formed a working group in 1990 (**2a**)[163] to consider the feasibility of a teacher evaluation system, based on the guidelines issued by the Education Council in 1988 (Legler, et al., 2008). Even at that time, it was difficult to conceive of equality of teachers' rights and salary increases in relation to other state officials *without* performance evaluation in the long run (Wendelspiess, 2000; Bertschi; Wendelspiess). The working group—which included HR professionals, teacher representatives, psychologists, university faculty, and other representatives (Wendelspiess, 2000; Der Erziehungsrat des Kantons Zürich, 1990)—released its findings in the 'Rose Booklet' (Bildungsdirektion Kanton Zürich Volksschulamt, 2009), which included three concepts for performance appraisal, in 1992 (**2b**).

[162] These views were echoed by Wendelspiess.
[163] When it was clear that SBR would be passed and that performance-evaluation would be one component of the comprehensive salary structure

FIGURE 6.8: Timeline 3—Early Evaluation System Developments



According to Wendelspiess, the response was mixed but mostly positive (Wendelspiess, 2000). The group confirmed the feasibility of an MAB system (Wendelspiess, 2000, Bertschi). Thus, the eventual MAB product was built on the foundation provided in the Rose Book (**2b**). Though the task was originally assigned to an internal working group (LoF) in 1996, Buschor sub-contracted the task to an external commission in 1997[164] in order to accelerate the process of development (**3c**) (Wendelspiess, 2000; Buschor, 1997):

> …the work (of the LoF working group, which was assigned a variety of tasks including MAB) was unable to progress to the extent desired, due to its diverse and interconnected aspects (quality assurance in the semi-autonomous elementary schools).

[164] It had been previously tasked to the results-based management (*ausrichtung auf die Wirkungsorientierte Verwaltungsführung (Wif))* committee (Wendelspiess, 2000).

> Therefore, the Director of Education decided in May 1997 to advance the project separately and to release the preliminary work with external legal consultation. (Wendelspiess, 2000)

Bertschi, one of the original members of the 1990 working group, won the contract[165] and, in collaboration with Wendelspiess, produced a draft of the MAB system in four months (Bertschi; Wendelspiess). According to Wendelspiess, Bertschi:

> As a former school leader, an independent HR professional and an active education politician…possessed that knowledge, without which it would not be possible to reconcile the existing knowledge about the evaluation of teachers, the knowledge of Zürich elementary schools and compliance with the possibilities and limitations of the local school board system in the time available. (Wendelspiess, 2000)

The fact that an evaluation system *had* been developed in 1992 makes the explanation that performance-evaluation had not been implemented in education due to the lack of a system and the lack of incentives to create one due to the canton's financial situation seem inadequate. Consistent with the legal mandate account (Section 6.5.1), the administration's efforts to develop an evaluation system for teachers were directly linked to SBR 1987/1991.However, the fact that an evaluation system *was* developed but was not implemented raises an important question: why, despite the legal mandate and its implementation throughout the civil sector was an evaluation system not applied to teachers?

Economic conditions also provide an inadequate explanation for the failure to implement an evaluation system for teachers, because the development of performance evaluation systems moved forward in the rest of the public sector in spite of identical economic conditions and resulting salary freezes in the civil sector. The 'Performance Evaluation' project,

[165] Bertschi described his role in developing the system as controversial because he was a member of parliament and because there were a lot of teachers and members of parliament who opposed the project. The outsourcing of the LoF work—and the logic for choosing Bertschi in particular—was challenged in a parliamentary question (Regierungsrates Des Kantons Zürich, 1997b).

which was applied throughout the civil sector, was launched in 1990 and the necessary apparatus was approved by the Governing Council in March 1992 and amended in 1994 (Regierungsrates Des Kantons Zürich, 1996a; Wendelspiess). These efforts were not immune to the impact of the recession—the system was described as only achieving "limited success because of the constraints of the spending cuts" which resulted in difficulties and diminished enthusiasm (Regierungsrates Des Kantons Zürich, 1996a). However, performance evaluation became "a thoroughly established, indispensable component of the management and administrative framework" *in spite* of the economic conditions which limited its effect (Regierungsrates Des Kantons Zürich, 1996a).

The resistance and opposition to evaluating teachers and linking their pay to performance appear to be an essential explanation for why the system was not applied to teachers until the late 1990s. The teachers' organisation challenged the competence of local authorities to assess teachers and also rejected linking teachers' salaries to these evaluations (Wendelspiess, 2000; Legler, et al., 2008). Wendelspiess—in an account that has been confirmed elsewhere (Legler, et al., 2008)—refers to a period of debate and conflict over evaluation for teachers[166] throughout the mid-1990s in which teachers' organisations and their allies in parliament staved off the reforms:

> There followed a phase of 'mutual blocking' in the Canton of Zürich which continued for several years: teachers' organisations fought on a broad front, particularly via their closest representatives in parliament, against the introduction of performance-related pay local school authorities. However, the Parliament rejected 15 proposals on this subject and insisted on the principle of legal equality within the civil service. This was taking place during the same period as the transition to a new, progressive personnel law, during which the 'civil servant status' was abolished (carried unopposed by all parties). It was also demonstrated that effective performance appraisal via colleagues

[166] Would the evaluation of teachers lead to higher standards of education? (Regierungsrates Des Kantons Zürich, 1997a).

was quickly becoming accepted as a normal HR instrument in central government and could be used sensibly... (Wendelspiess, 2000)

Clear consensus emerges across sources—both interviewees and documents—that teachers opposed and successfully blocked, the application of the evaluation system to teachers through the mid-1990s, this explanation poses one major challenge—what changed? Why were teachers able to block the reforms for a period but not indefinitely? These questions are answered in Sections 6.6 and 6.7.

6.5.4 Conclusion

None of the storylines—legal mandates, economic conditions and pressures, or teachers' oppositions—outlined in previous sections provide a singular account of 'what happened' in the development and implementation of the MAB system that is both parsimonious and adequately complex. Instead, consistent with a diversity-oriented approach to causation which views causal factors as complementary rather than competing, causation sits at the nexus of legislative changes, economic circumstances, and political debate and conflict.

However, though the 1999 implementation traces its roots to 1987, the explanation of these events cannot treat the process as a singular development from the passage of SBR 1987/1991 to the implementation of the MAB system in 1999. Instead, it must account for two epochs that pose distinct but inter-related questions: the period of non-implementation that stretched from 1987-1996 and the period of implementation from 1996-1999. Opposition and conflict fuelled by unfavourable economic circumstances overcame the legislative mandate to implement a comprehensive evaluation system for teachers from 1987-1996. But what weakened, eliminated, or marginalised this opposition from 1996 so that the legal mandate could be fulfilled? Both epochs must be explained in ways that are consistent and coherent with the distinct dynamics of each period as well as with one another. This is the task undertaken in Section 6.6.

6.6 Why did it happen?

Section 6.5 provided a detailed account of the events that together tell the story of the MAB reform process—a legal mandate whose delayed realisation was shaped by economic forces and teachers' opposition. Though teachers were successful in delaying the application of SBR 1987/91 to the education sector for some time, the landscape shifted in the mid-1990s. Though Ernst Buschor acknowledged that teachers still opposed the reforms in the mid-1990s, the administration was willing to move forward with the reforms in spite of this opposition (Buschor; Bertschi). According to Buschor, though there was opposition, it was "never a complete no".

The lack of a "complete no" is an apt summary of the post-1995 environment, reflecting two potential interpretations of events that together account for the neutralisation of teachers' opposition which had successfully stalled the reforms over the five previous years. One interpretation of the lack of a "complete no" deals with the unions' preferences and their capacity for interest aggregation, as the ZLV faced significant challenges to representing members' interests. These issues—ZLV's goals, particular MAB-related preferences, and capacities—are discussed in Section 6.6.1.

However, the diverse interests of teachers' in Zürich do not appear to provide an adequate explanation for the shift in 1995—nothing changed in the union's interests or capacity to explain the neutralisation of teachers' opposition. Instead, there were several shifts—both external and internal—that altered the landscape, tilting the playing field towards the administration and disadvantaging the teachers and their allies. These shifts—public opinion and leadership—are outlined in 6.6.2.

Together, the external shifts and ZLV's complex preferences provide a compelling explanation of the events outlined in Section 6.5. They also provide significant insight into the nature and significance of the relationship pattern between the unions and the administration. Like Finland, the relationship pattern and interaction orientation in Zürich is significant, though the details are different. In Zürich, the relationship pattern is best described as accommodative (Walton & McKersie, 1965/1991). The pattern and its relationship to the ZLV's preferences and the shifts in the power landscape are outlined in Section 6.6.3.

6.6.1 ZLV Preferences and Capacity

Unpacking teachers' unions' interest regarding MAB is complex. Unlike in Finland where all interviewees told compatible and coherent stories about the reform process and the nature of interests that produced the policy outcome, accounts of what happened in Zürich were complex and at times apparently contradictory. Ultimately, the complexity and divergent understandings of what happened and why it happened is insightful.

As in Chapter 5, consistent with the ACI framework, the ZLV's preferences are considered alongside their internal capacity—cognitive and evaluative. Their MAB-specific preferences, outlined in Section 6.6.1a, must be understood through the lens of their general preferences or goals (Section 6.6.1b). As the discussion of their preferences makes clear, the ZLV faced significant challenges in terms of their cognitive and evaluative capacity (Section 6.6.1c). In contrast to the highly-developed representative system of the OAJ, through the 1990s the ZLV relied primarily on direct democracy which—in light of diverse membership goals—posed challenges to integration and representation. Though these challenges were not the primary cause of the neutralisation of teachers' opposition in the late 1990s, the internal dynamics of the union are essential to making sense of complex and competing union preferences.

6.6.1a ZLV's MAB Preferences

Interviewees unanimously confirmed that the ZLV was opposed to the MAB. However, there was absolutely no agreement about the root of union opposition. There seem to have been a variety of conflicts over the MAB system. Table 6.9 displays the various descriptions about the nature of union opposition to MAB.

TABLE 6.9: MAB Perceptions and Preferences

	Not Possible	*Opposed Lay Evaluation*	*Autonomy/ Individualism*	*Number of Classifications*	*Too hard, too much work*	*Opposed Link to Salary*
BUSCHOR	**Yes****	Yes.	Cause of Resistance		Cause of Resistance	Yes. (but also mixed)
WENDELSPIESS	Yes.	Yes.			Yes.	
BERTSCHI	Yes^	Yes~	Cause of Resistance			**Yes****
ZLV.President	**Yes****			Cause of Resistance		Yes.
LCH.Union_Leader		**Yes****				Yes

**Denotes the primary root of union opposition according to each interviewee
~But even more opposed (according to Bertschi) to peer-evaluation

There were three different explanations of the teachers' unions' opposition to MAB. The first explanation, identified by Buschor and ZLV.President, was that the teachers categorically objected to the idea that it was possible to evaluate teachers' work. This was the primary source of opposition, though teachers also opposed linking evaluations to salaries:

> …they declared from the beginning onwards that they do not accept…this kind of, of evaluation...(and) they rejected as well, the consequences of the salaries…but the main reasons was that it was not possible to judge the quality of the work with this framework, so therefore they reject any consequences of the evaluation. This was the reason, not because of salaries… (Buschor)

The second objection was related to the MAB's reliance on lay evaluators[167]. LCH.Leader did not express an unequivocal opposition to teacher evaluation as an impossible enterprise, but objected vehemently to MAB's approach, arguing that the system of lay evaluation was an affront to teachers' professionalism.

The third explanation of teachers' opposition focused on the link to salaries as the primary point of contention, a view voiced by Bertschi. His view is based on his the 1990 working group. According to Bertschi, the process of developing proposals for teacher

[167] School board members.

evaluation[168] convinced the president of the ZLV[169], who served on the working group, that it was possible to evaluate teachers—though he maintained his opposition to the salary-link. Thus, it seems that all of the factors included in Table 6.9 may have been sources of opposition to MAB for union leaders, union members, and teachers. However, there was a lack of consistency around what exactly teachers and their unions opposed or wanted.

This lack of consistency has two likely sources. First, it may reflect disagreement within the union about the MAB system. Second, it likely reflects the union's changing position over time—as certain issues were perceived to be 'lost', the battle may have moved to new fronts where the union perceived that it had a greater chance of success. Section 6.6.2 discusses a few key shifts that may have changed the union's strategic position. But first, the remainder of this section unpacks the union's multiple and competing preferences and how cognitive and evaluative capacity may explain why the union's opposition is hard to precisely identify.

6.6.1b General Preferences

According to both ZLV.President and LCH.Leader, the union has two main goals: first, to "defend ethical concepts and (the) prestige" (ZLV.President) of the teaching profession and to promote concepts of pedagogy, and second, to defend pecuniary questions related to working conditions, salaries and pensions. Both within and between these two broad goals the union faces challenges in promoting unity across the membership (LCH.Leader; ZLV.President). First, there is tension between members regarding the organisation's primary purpose:

> …It has been difficult to bring together…(there are) always some battles within the teachers' organisation between (those who are) more defensive of salaries and time and so on, (and) defending people…and then there are the pedagogical dreamers—who would achieve that dream for no pay…and we try to manage that. (LCH.Leader)

[168] i.e. The Rose Book (1992).
[169] The president was not re-elected, which Bertschi attributes to the membership expressing its dissatisfaction with his opinions and work on the committee. This may speak to diverse and competing intra-union preferences and the challenges of interest aggregation.

Then, within the goals, members were divided. Though the ZLV's interests are fairly straight-forward in terms of pecuniary questions, uniting teachers around questions of professionalism and pedagogy is more challenging:

> For the conditions…in terms of salary we are very united—'we want more money'—more salary less work. Pedagogically, we have more or less every opinion…and therefore it is not always easy to get an opinion for this aspect. (ZLV.President)

LCH.Leader also identified the diversity of teachers' opinions as a challenge—particularly when it comes to pedagogical and professional questions. He attributes this division to a lack of a shared vocabulary or mental models amongst teachers which he links to the underdevelopment of teachers' professional training (Section 6.4.1):

> If you defend the quality of the profession you will never attain the unity…'broad yes' of all teachers because of the variety of ideas. (LCH.Leader)

6.6.1c Capacity

This diversity of opinion[170] presents challenges for the union leadership which is tasked with representing the diverse views of their membership. Historically, ZLV's approach to union democracy has been different to OAJ's. While the OAJ's approach to democracy is representative, at the time of the MAB reforms, the ZLV's primary strategy for interest aggregation—consistent with the broader Swiss approach outlined in Section 6.2.2— was direct democracy. LCH.Leader identifies the historical significance of and enduring commitment to a particular version of citizen-democracy in Switzerland as significantly informing union democracy. He identifies this "particular brand of citizen-democracy" as one in which individuals have authority and don't want to be told what to do; in such a system change is slow (LCH.Leader).

[170] 'cognitive capacity' (Scharpf, 1997).

The connections to the institutional context of Switzerland are obvious. It seems that the significance of direct rather than representative democracy extends beyond federal or cantonal government. Until recently, the ZLV has relied on surveys to gauge, and attempt to represent, members' interests, but the danger is that often the opinion captured by the survey is split 50/50, "Then we can't do anything…because if we do one thing, the others are angry and it is worse" (ZLV.President).

As a result of the limitations of an exclusive reliance on direct democracy, the ZLV is currently in the process of trying to create a representative democracy. They are attempting to create school-based as well as education-level groups where members could talk and reach consensus. Then, "if no one says 'stop' then we just do it" (ZLV.President). However, the ZLV is only at the beginning of this process—this representative system did not exist a decade ago. At that time, surveys were still the major tool for measuring, expressing, and representing members' opinions (Bertschi; Girschweiler, 1999; Schneebeli, 1999a). Representative democracy was spawned by the limitations of the old process: "if we try to do this democratic thing, it is hard for it to work" (ZLV.President). The diversity of teachers' interests and the challenges to interest aggregation[171] are important to understanding what happened with MAB. The multiplicity of the ZLV's particular MAB preferences (Section 6.6.1a) are linked to the nature of their 'general interests' (Section 6.6.1b).

[171] evaluative capacity (Scharpf, 1997).

TABLE 6.10: Roots of ZLV Opposition

	Possible?	*Lay Evaluation*	*Number of Classifications*	*Link to Salary*
Professionalism (Autonomy)	**Opposed—**work is too complex. (Bertschi, Wendelspiess, Buschor, ZLV.President)	**Opposed**. (LCH.Leader, Buschor)		**Opposed** (Bertschi, ZLV.President, LCH.Leader)
Professionalism (Quality Assurance)	**Possible.** There is some need of some control; some duty…accountability to report; developed a professional alternative (LCH.Leader)		Goal should be rapidly addressing bad quality (two qualifications rather than four) (LCH.Leader)	Despite opposition to directly linking salaries to evaluation, developed a professional alternative to demonstrate (indirectly) why politicians should invest in schools and teachers (Buschor)
Increase Salaries				Opposed/protested because **incentives were too low** (Buschor, Bertschi); Accepted the system in order to improve salaries (LCH.Leader)

Table 6.10 displays the variability of the union's objection or support and the links to its general goals—to protect and promote professionalism as well as to improve teachers' salaries and working conditions. Professionalism is sub-divided according to two components of professionalism—autonomy or respect for expert practice and the promotion of quality teaching and schools.

It seems that the various professional and pecuniary considerations pulled the teachers' association in competing directions. External evaluation—especially by untrained lay evaluators—was a perceived affront to teachers' professionalism. However, LCH.Leader could recognise the importance of ensuring the quality of teaching—and to addressing bad quality rapidly—as both a professional responsibility and a task essential task to justify investment in schools and teachers' salaries, a perspective on professionalism that is both principled and pragmatic. At the same time, the MAB system was presented as a way for teachers to get more money—which appealed to the organisation's efforts to improve teachers' salaries, as the system was presented as the only way for teachers to be eligible for annual increases due to the provisions of SBR 1991 (Regierungsrates des Kantons Zürich, 1996b; Regierungsrates des Kantons Zürich, 1997a; Regierungsrates des Kantons Zürich, 2001).

The lack of unified opposition to MAB was apparent across interviewees. Bertschi, Buschor, and Wendelspiess consistently distinguished between the view of 'the organisation' and the view of individual teachers:

> Opposition came exclusively through the teachers…but it was much more the exception. It was the criticism of the teachers' association, not of individual teachers…And some teachers don't' like it, some do like it, but it varies considerably. (Buschor)

> …in principle, teachers' union is against such a system. And we can live with that very well. But if you speak to individuals, it is always the same: 70-80% say, 'I'm against it, but in my case it was ok. The way I was witnessing and living this in my classroom was ok.' So there really is a double view: 'The system as such, I'm against it. (Bertschi)

> Teachers were more or less unified. But we would also have meetings where teachers would say 'I am very happy with the MAB'. (ZLV.President)

As the previous discussion has made clear, the union's interests were complex and at times unclear—at least to those outside of the union. However, despite the challenging work of attempting to speak with one voice, the teachers' opposition was an important part of the story of MAB, delaying the reform process through the mid-1990s (Section 6.5). But to understand why the system was eventually implemented in spite of this opposition—shifting and sometimes fragmented though it may have been—one must move beyond the ZLV's preferences.

6.6.2 Before and After 1995: The Shifting Landscape

Section 6.6.1 provided a detailed overview of the ZLV's interests. What emerges is a picture of clear opposition to the MAB system rooted in multiple objections. The particular nature of the ZLV's opposition was variable: the nature of opposition reads like a moving target, what many of the designers described as a kind of 'double-speak' (Bertschi; Buschor). However, it is clear, based on the evidence outlined in Section 6.6.1, that the teachers' opposition successfully blocked the implementation of performance evaluation for teachers until the mid-1990s. What happened in the mid-1990s to overcome this opposition? Like the complex and multi-factored reform timeline outlined in Section 6.6.1, the 'shift' was not one thing but many—a collection of shifts that, together, altered the playing field and neutralised teachers' opposition. Together, these shifts, along with the legislative and economic context outlined in Section 6.5 provide a compelling account of the reform process and the role of the teachers' union.

Until 1995, the teachers and their unions had been listened to; their opposition was a real and legitimate threat to bureaucrats' ability to introduce the new system. However, there were a number of shifts in the policy-making landscape that neutralised teachers' opposition. These shifts are outlined in Sections 6.6.2a-c.

6.6.2a Shift in Public Opinion

The entire reform process—from SBR 1987/1991 to the implementation of MAB in 1999—is fundamentally connected to the spread of NPM in Switzerland: Buschor identified the teachers' evaluation system as being linked to the general law (SBR 1987/1991) which was informed by the general framework for NPM—ideas that attempted to bring private sector management ideas to the public sector:

> We wanted really to go closer to a normal economy—they are doing a good job, they are fulfilling relevant missions, so why is it not a bit closer in the whole setting? It's (MAB) still a special law, it's not actually the same as [the private sector]…but we have made this step. (Bertschi)

Though Buschor's 'effects-oriented public management' (*Wirkungsorientere Verwaltungsfürhung*) began to form in the 1980s, its spread was particularly notable during the economically challenging 1990s. In Switzerland in the 1990s, NPM reforms were discussed and implemented at every level of government, a process which proceeded in a series of 'phases', reaching its peak from 1995-1998 (Schedler[172], 2003b). LCH.Leader confirmed that around 1990, "(the union) knew there was a wave of NPM coming" in which politicians would try to apply private sector principles first to the public sector and then to schools. And it seems that In Zürich, the peak of NPM reforms coincided with high levels of public enthusiasm and support. ZLV.President said that the MAB reforms were designed and implemented (1996-1999) under the influence of 'NPM euphoria':

> Most of this thing was very much rooted in NPM. [Buschor] was a very good speaker and gifted in the media…so everyone was excited about NPM and we were going to make it better. (ZLV.President)

Public opinion in embracing the NPM ideology had turned against the teachers' union. ZLV.President implied that the NPM euphoria was significant in preventing the ZLV from being able to challenge the reform, but Wendelspiess was more explicit:

> The unions really tried to kill it…but politically, they knew that parents wanted an MAB…so they didn't oppose it with 100% conviction. They knew that there could always be a referendum at the end and that public opinion would have settled the matter. (Wendelspiess)

Though measures of public opinion on this issue are unavailable, the available evidence supports the consensus that emerges from interviewees' accounts. Though assessments of the proliferation and extent of NPM reforms in Switzerland have come to varied conclusions[173], the

[172] A student of Ernst Buschor at the University of St. Gallen who later replaced him when Buschor joined the government of the Canton of Zürich (Noordhoek & Sayner, 2005).
[173] At the municipal level, Steiner (2000) found that 25% of municipalities had NPM projects by the end of the 1990s. At the cantonal level, some researchers have concluded that *all* cantons had at least three NPM projects (Widmer & Rieder, 2003,

incidence of NPM reforms lends support to the 'NPM euphoria' hypothesis. The incidence of NPM-related education reforms since the 1990s—inspired by reforms initiated at the national level—including changes in the status of teachers and changing approaches to teacher compensation and evaluation lends further support to the euphoria-claims.

In 2000, there were a number of cantons where evaluation systems—either in combination with salary reforms or alone—were being considered. Only seven cantons were classified as 'not considering' any reforms at that time and evaluation and compensation systems were being considered in 14 cantons and had been implemented in two—Zürich and St. Gallen (Ritz & Steiner, 2000, as cited in Müller Kucera & Stauffer, 2003). Thus, the reform of teacher evaluation and compensation was not an isolated event; it should be understood within the context of two related forces—a growing enthusiasm about NPM and the economic recession of the 1990s[174]. The argument for the dominance, proliferation, and popularity of NPM ideas throughout Switzerland is especially salient in the Canton of Zürich. NPM reform was more prominent in German-speaking cantons and municipalities. This might be explained by the fact that the main promoter of NPM in Switzerland (Ernst Buschor) was a German-speaker (Reber, 2007). The influence of the intellectual architects of NPM was especially significant in Zürich as Ernst Buschor joined the Canton's Executive Council in 1993 and served as the head of the Directorate of Education from 1995.

6.6.2b Shift in Leadership

The shift in public opinion, which may have been critical in neutralizing teachers' opposition as it eliminated their most potent weapon, the referendum, was likely not entirely independent of another important shift—a shift in leadership. Though the acceptance of and

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cited Brun & Siegel, 2004), while others have argued that 16 (Rieder & Lehmann, 2002, cited Brun & Siegel, 2004) implemented reforms.

[174] The MAB system also occurred in the broader context of reforms related to the civil status of teachers and public workers which was occurring throughout Switzerland. The change occurred in Zürich in the early 1990s which shifted teachers from civil servant status to that of salaried employee (Wagner, et al., 2004).

enthusiasm about NPM amongst the public may have occurred independently of Ernst Buschor's role in the public administration, it is likely that the depth of the 'NPM euphoria' was linked to his leadership especially given the fact that "he was a very good speaker and gifted in the media" (ZLV.President). But beyond his ability to build support for NPM ideas amongst the public, Buschor taking the helm of the Education Directorate was a critical shift—one that distinguishes the first epoch (pre-1995) from the second (1995-1999).

Prior to Buschor, the previous Education Director (*Erziehungsdirektor*), Alfred Gilgen, had been serving in the role for 20 years (1976-1995) (Bertschi). The perception was that he may have been tired and unwilling to touch the 'hot potato' of MAB given his proximity to retirement—especially in light of economic difficulties, salary freezes, and teachers' salary restructuring (Bertschi). So it seems that Gilgen may have avoided MAB development and implementation not because teachers' opposition *couldn't* be overcome, but because doing so was unpalatable.

In contrast, Buschor, was committed to bringing the principles of NPM to bear; according to the "framework, individual qualifications were key. So we said it is worthwhile to do in schools, even against (the) opposition of teachers" (Buschor). As a result, after "a lot of slowing down" on the evaluation system:

> …finally, then, I think it was one act of Buschor. 'Now it's finished, we have discussed it for 8 years. We have to do it or else we cannot raise the salaries. (Bertschi)

According to one local reporter, there was more change from 1995-1998 than there had been the previous 300 years—reforms that were attributed to a dynamic leader who reformed aggressively, forcing teachers to accept principles that applied almost everywhere else (Inlet, 1998).

6.6.2c Shifts within the Union

In addition to the general challenges of interest aggregation that always have the potential to complicate union unity and effectiveness, the ZLV was plagued by additional internal tensions and divisions. As early as 1998, tensions between groups of teachers within the ZLV were reported in the *Tages-Anzeiger* (Schneebeli, 1998b). According to reports, the split was between secondary teachers—represented by the OKRZ and SKH—and primary teachers and was primarily over membership dues; the secondary teachers' organisations were accepting members without requiring members to their organisations to pay dues to the ZLV. After attempts to reconcile failed, the ZLV split and the OKRZ and SKZ left the primary teachers to form the SekZH (Schneebeli, 2000a)[175].

None of the interviewees discussed this split or linked it explicitly to the MAB reform process. But though it may not have factored explicitly into the reform process, it seems relevant as it may have impacted both inter-organisational unity during the critical period of MAB development or may have served as a significant distraction, keeping the union from channelling all of its energies on the reform process. Given its absence from the accounts of any of the interviewees, it appears to be a secondary rather than primary factor, but one that provides important context.

6.6.2d Summarizing Shifts

Together these shifts—particularly the shift in public opinion and new leadership—explain why the union's influence decreased in the mid-1990s reversing the effectiveness of their opposition. Though teachers' opposition was a key factor to the delayed implementation of MAB through 1995, the degree of their incorporation in the decision-making process and their influence on key decision-makers declined. This shift in influence is not an anomaly produced by unique historical circumstances. Rather, it is a function of the 'union-management' relationship pattern in Zürich, described in Section 6.6.3.

[175] OKRZ and SKZ later merged into the SekZH.

6.6.3 Relationship Pattern between the Education Directorate and the ZLV

In Chapter 5, the interaction orientation and related relationship pattern of the OAJ and KT was included in the discussion of the OAJ's preferences. The stable and cooperative relationships between the OAJ and employers were linked with a relational preference—to maintain this cooperative and productive relationship—that informed the union's interests, strategies, and tactics. In Zürich, like in Finland, the relationship pattern between the Education Directorate and the teachers' unions is the key to understanding the MAB reform process. The conclusion of Section 6.5 argued that any causal explanation must be able to explain both epochs of the reform story—the period of delay (1990-1995) and the period of implementation (1996-1999). The relationship pattern provides the key to unlocking that coherent causal account.

The dominant pattern that emerges in Zürich is best characterised as accommodation—defined as an individualistic orientation in which "Recognition of the legitimacy of the other's means and ends amounts to an 'acceptance of the *status quo*'" (Walton & McKersie, 1965/1991, p. 187). In this pattern, the parties "have adjusted to each other and have evolved routines for performing functions and settling differences" (Walton & McKersie, 1965/1991, p. 187)). The relationship is characterised by moderate respect, limited trust, and limited competition. This pattern is evident in Table 6.11.

TABLE 6.11: Relationship Pattern, Switzerland

	MOTIVATION ORIENTATION/ ACTION TENDENCY	BELIEFS ABOUT LEGITIMACY	FEELINGS OF TRUST	FEELINGS OF FRIENDLINESS
Buschor	Individualistic	Acceptance of Status Quo	Limited trust	Neutralism-courteousness
Bertschi	individualistic	Acceptance of Status Quo	Trust.	Neutralism-courteousness
ZLV.President	Individualistic	N/A	Varied	Varied
LCH.Union_Leader	Individualistic	N/A	Varied	Varied

On the employer's side, there were pervasive questions about the degree to which the ZLV's views reflected the interests of teachers. So, though there was a degree of trust—

Bertschi's view accepts that the ZLV is pragmatic and interested in the welfare and well-being of the school—it was limited by questions about the representativeness of the union's views. The employer's characterisation of interactions with the teachers' organisation—particularly post-1995—was neutral and courteous: they viewed the ZLV as one participant and one voice among many.

The union was similarly individualistic—attempting to promote its interests through whatever channels possible. There seemed to be a resigned acceptance that the administration would not listen to them. Their trust and friendliness varied from person to person demonstrating the personal rather than institutional foundation of these attributes. This is consistent with a relationship pattern of accommodation: "The level of affect among the participants is rather low—not strongly positive or negative. They go about their business, interacting in a courteous but informal manner" (Walton & McKersie, 1965/1991, p. 186).

The salience of the 'accommodation' relationship pattern is strengthened when interviewee responses are considered in light of the institutional context of Zürich (outlined in Section 6.2). Section 6.2.3 sketched the contours of Swiss *konkordanz* democracy—a consensus-orientation incentivised by the pressures of direct democracy and institutionalised in broad governing coalitions. The relationship pattern or interaction-orientations of the ZLV and key members of the Education Directorate must be positioned in this larger structure of interactions. However, the impetus for broad consultation and consensus is closely linked to instruments of direct democracy; it is a strategic response to veto threats. Thus, this approach to consensus has a strong 'accommodation' flavour—parties work together when required.

How does this accommodative interaction orientation inform the MAB reform process and the role of the teachers' union in those reforms? The relationship pattern provides the link which unifies the various causal ingredients—economic and political context, complex union preferences, and the shifting landscape of power—into a coherent explanation of reform. Union opposition—which was complex and multi-faceted but relatively constant from 1990-1999—

was effective before but not after 1995 because unions lost their 'access pass' to the decision-making process. Because of the individualistic nature of the accommodative relationship between the teachers' union and the Education Directorate, meaningful consultation and incorporation in the decision-making process was inconsistent. Despite an expressed commitment to the importance of consulting the social partners, the evidence suggests that the significance of the consultative procedures, and the amount of influence that various groups actually had, was variable.

In order to understand the 1995 shift, the education reform process must be contrasted with the broader civil sector. For example, in the design of the SBR 1987/1991 reforms:

> From the start, much importance was attached to the participation of the staff associations, who were involved in the project organisation…The findings can ultimately be considered the result of consensual consultation between the Cantonal Parliament and the staff associations as social partners, although a number of concerns could not be dealt with…(as evidenced by) the numerous proposals submitted to the Cantonal Parliament Commission by several interest and professional groups, along with the many hundreds of appeals against the new classification of staff. (Regierungsrates Des Kantons Zürich, 1996a)

Though opposition from social partners was noted, it was not insurmountable as SBR 1987/91 was implemented and remained in place in spite of opposition and resistance. In contrast (as outlined in Section 6.5.3), the opposition of teachers and their unions created a real impediment in reform through 1995. However, despite a consistent emphasis on the importance of the union as a partner with whom the Education Director worked closely (Schneebeli, 1998b), the nature of their consultation and incorporation appears to have shifted after 1995. Prior to 1995, most notably the 1990-1992 working group, consultation was broad: there were fourteen members in the working group including two teachers' union representatives, school authorities and other experts (Der Erziehungsrat des Kantons Zürich, 1990; Bertschi). A wide set of stakeholders were involved in the design of a provisional MAB system and the union was heavily involved in that work.

In contrast, consultation in the late 1990s took the form of official comment and review *after* the system had already been designed and proposed. The lack of what Bertschi called a 'conventional taskforce' was a key reason why it was feasible to design the system in only four months—it was a simply a 'brainstorm' between Bertschi and Wendelspiess (Bertschi; Wendelspiess). Unlike the working group, the social partners were only engaged *after* the plan had been finalised, during the formal consultation process; they were excluded from the planning process. When the system—its goals and underlying philosophy—was challenged after the planning had been assigned to Bertschi, the government response was that though there were "serious issues which must be properly addressed", the debate should not begin until "the consultation process has had a chance to get underway" (Regierungsrates des Kantons Zürich, 1997a).

The plan was eventually submitted to 50 "critical people" (Bertschi)—including teachers' unions, school commissions, school boards, political parties, and others—in order to get their ideas and criticism (Bertschi; Bosshardt, 1998; Bertschi Consulting). According to Wendelspiess, they received hundreds of written responses throughout this process (Wendelspiess). However, by this time, significant decisions had already been made. When the Education Committee approved the MAB system in 1998—which was then ratified by parliament—there *were* some modifications as a result of the consultation process (Schneebeli, 1999b). Most notably, the number of levels on the scale of evaluation was reduced—a criticism of the teachers' union—but the link between salaries and evaluation was not removed, and the role of lay evaluators was not changed (Bosshardt, 1998).

The key to understanding the shift in consultation patterns and the neutralisation of teachers' opposition after 1995 lies in the accommodative relationship pattern. Two common themes unite the pre-1995 and post-1995 epochs. First, in both periods, each party was pursuing their individual interests. The administration was attempting to implement an MAB system and the ZLV was attempting to block it. Second, in both periods, the parties only worked together to the extent that collaboration was perceived to be necessary or beneficial to them. The accommodative relationship is constant. What changed is the political landscape; the shift in public opinion weakened the union. When the administration perceived that the union had lost its most significant resource—the ability to challenge legislation and decrees politically—its engagement with the union became much more limited.

Buschor acknowledged that the unions protested their exclusion from the process of developing performance evaluation systems. This was echoed by the President of the SeKZH: "The pay-related MAB was brought in without the cooperation of the teachers. It is therefore to be seen as a failure and has been badly received on this basis." Buschor's response to this objection was that the issue of employee evaluation or assessment is outside of the unions' domain stating that unions are not involved in these issues anywhere in Switzerland. This shifting landscape of power and the resulting shift in the influence opportunities available to the ZLV may also explain the perceived variability and inconsistency of the union's expressed interests:

> …some rejected the system because evaluation couldn't work…some (associations) rejected any consequences of the salaries; others accepted incentives, but said they were too low…some teachers said that the…complexity of teaching is so high, that it cannot be evaluated in an inquiry (that only includes an observation) of lessons and said (that) this complexity needs a much longer period of examination and control and this wasn't possible (and then others said that) there is too much bureaucratisation because of NPM. (Buschor)

It seems that the union's strategy had to shift as the playing field shifted to their disadvantage. Given a realistic assessment of their disadvantaged situation, they may have been forced to concede ground that was inconsistent with their underlying preferences and to move the fight to issues that they thought they could win. Teachers' opposition transitioned from opposition to resigned or grudging acceptance, which was rooted in a sense of inevitability combined with a decision to attempt to get the most out of a bad set of circumstances. LCH.Leader talks about this shift:

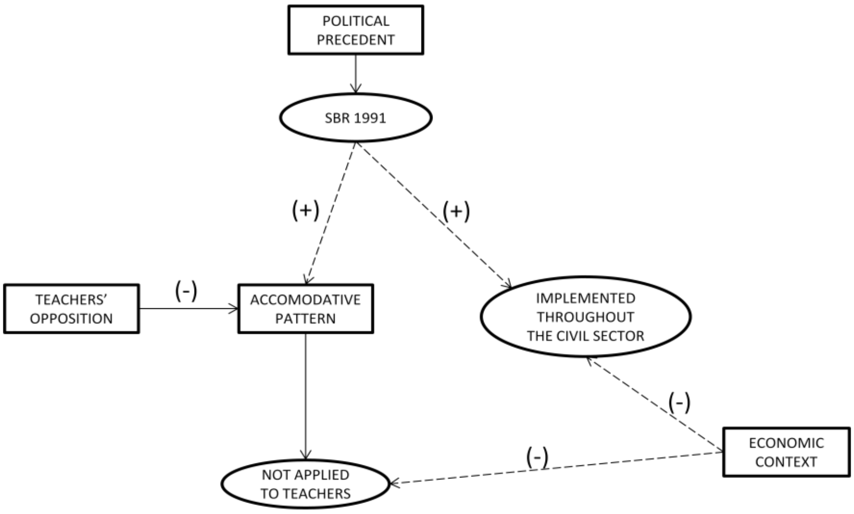
> The [ZLV] said at the time [1991, SBR], 'no, we don't want a performance salary system because our work isn't…fit for the kind of evaluation as you know it with other...public sector, or private sectors'…but finally they said, 'ok…we'll try this system. We already know it won't work, but the damage will be smaller than the damage not to have the improvement of the salary.'

And SekZH.President described their efforts as yielding a "semi-success": the procedure was simplified, but "We could not prevent the MAB in its current form on its political path…We could not change the basic political decision in support of pay-related MAB—that remained the same as it had always been".

6.6.4 Conclusion

The accommodative union-management relationship pattern in Zürich provides the crucial link around which the ZLV's preferences and the shifts in the policy-making environment in the mid-1990s cohere into a unified causal explanation. Prior to 1995, in spite of the legal precedent provided by SBR 1991, teachers' opposition successfully stalled reforms (See Figure 6.12). The economic context made PRP more difficult, but the economic context did not hamper reform implementation for the rest of public sector employees, suggesting that teachers' opposition was particularly effective.

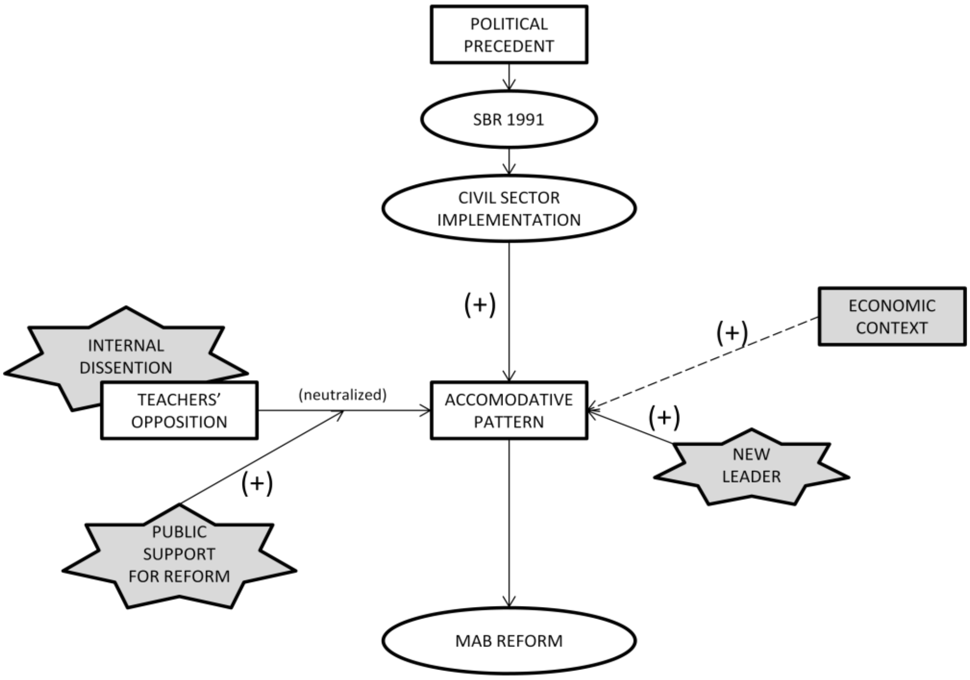
FIGURE 6.12: Delayed Implementation Pre-1995



However, public support for MAB reform for teachers neutralised teachers' opposition[176]. Shifts in the economic context—improving financial conditions which made raises for teachers possible—and Buschor's leadership and commitment to NPM certainly strengthened the push for reform (Figure 6.13). However, given the accommodative pattern and the consensus-orientation of Swiss direct democratic politics, the shift in public support appears to be critical. When the credibility of teachers' blocking power was undermined, so was their influence.

[176] It was also weakened by internal dissention, but this seems to be a secondary factor.

FIGURE 6.13: Opportunity for Reform Post-1995



6.7 Conclusion

Despite a multitude of differences, the reforms in Zürich share a common general attribute with the Finnish case. They are an example of unpopular reforms that linked teachers' compensation to assessments of teachers' performance that were implemented in spite of teachers' and their unions' opposition. In Zürich, the 'strength' of teachers' opposition is evidenced by the five year period in which they were able to block the application of a performance evaluation from being applied to teachers—in spite of its implementation throughout the public sector and a law which mandated its application in education.

Though both the legislative and economic contexts meaningfully contribute to the reform process in Zürich, they cannot explain the timing of the reforms. Instead, the implementation of the MAB system in Zürich is the story of a changing landscape of union power. Given the central importance of direct democracy in Switzerland which vests the final veto point in the hands of public opinion and privileges interest groups who can harness this instrument, shifts in public opinion—though they do not appear in the timelines of discrete events and are difficult to substantiate—provide the primary explanation of what happened in Zürich.

The widespread recognition of NPM euphoria—identified by most interviewees and evidenced by the prominence and proliferation of NPM throughout Switzerland which peaked in the mid-1990s—shifted the balance of power. The union realised that their most valuable resource—the ability to win a referendum to overturn the unpopular legislative and administrative decrees—had disappeared. Despite their ability to launch a referendum—either through an ordinary popular statutory referendum or through an extraordinary referendum initiated in parliament—the enthusiasm for NPM ideas and the belief that these ideas should be applied to teachers in schools would render their efforts to oppose the legislation, ultimately, futile.

The administration also realised this shift. Believing that any legitimate referendum threat was eliminated, they moved swiftly and forcefully to develop and implement the MAB system. Though shifts in public opinion appear to be the dominant cause of the shift in the playing field of power, the introduction of Ernst Buschor as the leader of the Education Directorate was also important. Buschor's commitment to NPM ideas and his willingness to overcome opposition to implement them certainly contributed to the timing of the changes.

The internal challenges facing the ZLV—both in terms of the perpetual challenge of representing members' diverse interests as well as the internal fractures that resulted in a split in 1999—certainly did not make the union opposition any stronger. However, these challenges appear to be secondary to the shift in the external environment. The difference between the impact of teachers' opposition before and after 1995 was ultimately the response of the administration to that opposition. The response is linked to the relational pattern between the administration and the union—an individualistic tendency in which the two parties only worked together when it was perceived to be necessary and useful—and the shifts that made the relationship with the union less important post-1995.

CHAPTER SEVEN: Analytic Generalisation

7.1 Introduction

Moe's (2011) account attempts to explain why PRP has not occurred in the United States: because teachers' unions oppose it and use their power to block it. If Moe is right, this implies that one key causal condition necessary to the implementation of PRP would be the absence of a strong union[177]. However, in both crucial cases, Finland and Zürich, PRP reforms were implemented in spite of a strong union. So when does PRP reform occur and what role do teachers' unions play in that process?

Due to the complexity of the research phenomenon, the first stage of research (Chapters 3-6) focused on analytical, theory-driven induction. As outlined in Section 4.2, this inductive process was aimed at both theory-testing and theory-building. The crucial case studies of Finland and Zürich accomplished many of these theory-building goals, suggesting a number of new hypotheses, causal pathways, and interaction effects. Both accounts provide answers to the question 'Why did PRP occur here?'. Together, they suggest what might distinguish Finland and Zürich from contexts in which PRP has not occurred, and they hold insights into theoretical understandings of union preferences and influences on policy-making.

Though both accounts provide examples of reforms that were implemented in spite of their unpopularity with teachers' unions, the accounts are marked by a number of significant differences. Reform in Finland was secured through collective bargaining; in Zürich, the reforms were political—linked to legislation executed by the political bureaucracy. Furthermore, the two cases point to different routes through which union opposition can be overcome—through compromise (Finland) or through power (Zürich). When considered together, what do these cases suggest about

[177] However, the condition is not assumed to be 'sufficient' to PRP given assumptions of causal complexity and equifinality. It is possible that there are other, non-union reasons why PRP may not be implemented.

when PRP occurs, when it does not, and the role of teachers' unions in those processes? What implications do these insights—confirmations or revisions —have in terms of theories of teachers' unions' preferences and influence? The key finding from the case studies, in its most general terms, is that *actors' interactions* produce policy outcomes. These interactions occur within institutional and historical contexts that meaningfully impact upon them. However, actors' preferences are not exogenously determined and reform processes are not predictable games in which structures and their incentives play out in a black box without human faces (Section 7.2).

The case studies' findings directly challenge Moe's account of teachers' unions—that strong unions will always block unpopular reforms (PRP). The cases suggest causal equifinality—that the same outcome can occur in different cases through different sets of independent variables (George & Bennett, 2005). The 'power-through' pathway displayed in Zürich confirms the contingency of power, and both cases provide numerous evidences of the ways in which union power can vary over time and space (Section 7.3.2). The 'cooperative compromise' pathway observed in Finland challenges Moe's conception of teachers' unions' preferences, suggesting that non-policy considerations, particularly relational preferences, may cause unions to compromise their first-order preferences. Furthermore, both cases illustrate the complexity of unions' preferences, suggesting that union goals are numerous and competing and that these complex and competing goals provide a variety of strategic choices and trade-offs (Section 7.3.1).

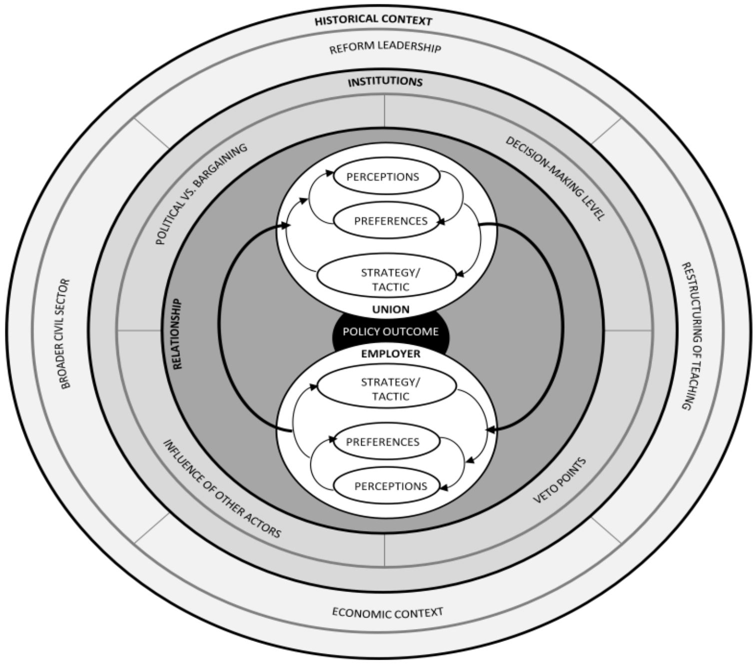
These explanations point to novel causal pathways. However, it is too early to claim that Moe's argument has been falsified. First, it may still hold predictive power in the U.S. but simply not in the Finnish and Swiss contexts. If that is the case, further exploration of the U.S. case should illuminate why the causal mechanisms or delimiting conditions differ between the cases. Furthermore, apparent falsification may simply require further specifying the model or reducing the scope of its generalisability. Moe's account may still accurately predict some cases, but may need to be transformed from a blanket covering law into a contingent generalisation.

Thus, the novel causal pathways uncovered in Chapters 5 and 6 must be deductively tested on other cases in order to determine whether they can provide a generalisable theory. Given the emphasis on iterative comparative understanding that guides this research, these emerging hypotheses will be tested within the U.S. context—the task of Chapter 8. However, before the novel causal pathways can be tested, they must be specified or operationalised in a more formal 'typological theory' (George & Bennett, 2005). This chapter concludes with this formal specification in Section 7.4.

7.2 Explaining PRP Reforms in Finland and Zürich

What do the cases of Finland and Zürich contribute to a more general understanding of the conditions under which PRP occurs? The answer to that question focuses on two major sets of factors—the contextual factors that make reform more likely and the union responses and interactions that determine whether or not reform occurs. Figure 7.1 provides a visual depiction of the 'proximity' of various factors to the policy outcome.

FIGURE 7.1: Interaction-Centric Reform Dynamics



The display captures the significant dynamics outlined in this chapter. Everything in Figure 7.1 is *relevant* to the outcome; however, it reveals the relative proximity of various factors to the reform outcome. This approach, treating causal factors as complementary rather than competing, is consistent with configurational thinking (Ragin, 2000). Contradicting the assumption that union preferences are predictable or static, the case studies clearly demonstrate the complexity of union preferences and also point to the significance of the relational context in which strategies and tactics are deployed (theoretical implications are discussed in Section 7.3). Actors' preferences are variable and their power contingent in ways that are constrained but not wholly determined by institutions, history, or other contextual factors. This is a notable departure from approaches that treat actors' preferences as exogenous, like most variants of rational-choice (RCI) and sociological institutionalism (SI) (Scharpf, 1997). In RCI actors' preferences can be imputed from the rules of the game, the set of choices, and assumptions about actors' preference-orderings (Levi & Cook, 1990). In SI, actors' preferences are exogenously determined by broadly-defined 'rules of appropriateness' and cultural norms. Thus, both approaches would ignore the interaction circle in Figure 7.1.

However, though emphasizing the significance of actors' interacting orientations as the most proximal factor which determines the policy outcome, the case studies also confirm the importance of institutional and historical context. Though institutions inform union strength in predictable ways—constraining or enabling union participation and also determining union resources—union power is more variable than static portrayals of formal institutions would suggest.

This is not to suggest that formal institutions are irrelevant to the policy-making process—far from it. Formal institutional arrangements—the rules and structures that determine policy and the actors who participate in policy-making—are significant. These institutions determine whether an issue is handled in the bargaining or political sphere and whether it is addressed at the national or sub-national level. They also privilege or disadvantage various actors in their participation in the policy-making process. These institutions help us know where to look, they determine the contours and boundaries of the policy-making arena; but they cannot explain what happens within that arena. What happens is a product of actors' interactions—their interests and relationships.

Contextual factors are outlined in Section 7.2.1 and union responses addressed in Section 7.2.2. Given the eventual application of these findings—tested in the U.S. context—each section attends to two questions: First, what are the potential implications of these observations for the U.S. context? And second, what transferability questions, if any, might there be?

7.2.1 Contextual Factors: Origins of, Timing of, and Pressures for Reform

The contextual factors—reform leadership, economic context, and the civil sector and education reform contexts—affect the likelihood of reform in two ways. First, they may be necessary, but not sufficient conditions for reform—like the necessity of 'reform leadership'

(7.2.1.a). Second, they may be neither necessary nor sufficient, but instead provide 'delimiting conditions' within and through which causal conditions operate. These conditions—economic contexts and reform histories and discourses, for example—cannot predict the policy outcome, but are significant for understanding the reform process and the response of teachers' unions to reforms. For example, when facing massive public approval of a particular reform, it will be harder for a union—even a strong union—to successfully oppose it. Similarly, economic circumstances may affect the union's ability to resist an unpopular reform. Sections 7.2.1a-d outlines the four key contextual factors that emerged from the case studies: the importance of reform leadership, the economic context, broader restructuring of the public sector as a precedent for teachers and schools, and related education reform trends that may affect the 'resistability' of reforms. However, contextual factors alone cannot explain when and why reform occurs—that is ultimately the product of actors' interactions (Section 7.2.2).

7.2.1a 'Reform Leadership'

Reforms that are unpopular with the union—like PRP—must have a champion. The point is obvious but essential: because the union opposes them and thus is unlikely to initiate them, the only way that these reforms are placed on the agenda and eventually implemented is if someone is committed to realizing them. The process in Zürich provides support for the importance of leadership. Though not the exclusive or primary explanation, the timing of the eventual implementation of the MAB system is at least partly explained by Buschor taking the helm of the Education Directorate. In contrast with the previous Director who, it was speculated, did not want to take on the fight to implement the MAB system, Buschor was an aggressive reformer who was committed to the implementation of MAB as a broader part of the NPM system (Section 6.6.2b).

Though the evidence in the Finnish case regarding the importance of reform leadership is less obvious, KT.Social_Scientist was explicit that 'modernizing' the teachers' salary system had been a long-running priority of KT. Given that the changes were not the OAJ's 'first-order preferences', it is clear that if the employer had not wanted the changes, they never would have occurred. Though the point may seem obvious, it is important. If someone—the employer, government, a policy entrepreneur—does want to implement PRP and does not champion the reform, it will not happen.

The importance of 'reform leadership' has a number of key implications for the U.S. context. The absence of strong reform leadership may provide a key explanation for the low incidence of PRP across the United States. This may be particularly salient given the complex multi-layered educational landscape in the U.S. What may seem obvious and important to the leadership of one state or school district may be doubted in another. PRP may not have been pursued in some states or districts not because the union blocked it, but because the leadership was not convinced it was the best strategy. This may prove critically important in understanding how relatively decentralised units respond to centralised mandates or proposals[178].

7.2.1b Economic Context

In both cases, though not the primary or exclusive explanation, the economic context significantly informed the reform process. Reforms in both Finland and Zürich followed a severe recession, which contributed to the reform story in several ways. First, the recession encouraged and enhanced cost-saving and efficiency-enhancing ideas (discussed in Section 7.2.4) which had formed in both cases in the late 1980s, just before the recession. Second, the recession, and its impact on public sector wages, may have created additional incentives for teachers' unions to find ways to earn raises for teachers after a period of stagnation and decline.

Economic recessions provided an important influence in the cases of both Zürich and Finland, but, to be more precise, reforms occurred in the immediate aftermath of a recession. The

[178] District responses to state policy or state responses to federal initiatives.

reforms in both cases benefited from a relative resource abundance after a period of scarcity. In these cases, the early stages of the post-recession recovery provided a window of time that was 'ripe' for reform. These economic forces certainly cannot be constructed as the cause for reforms; the economic recession of the 1990s was a global force and its impact on reform trajectories is mitigated by a variety of other factors. However, the contribution of the economy should not be ignored and the perception of resource scarcity and abundance may inform the preferences and strategies of teachers' unions.

It will be important to attend to the contribution of economic pressures and incentives to the PRP reforms investigated in the U.S. in Chapter 8. Recessions may create pressures on unions to increase their salaries through whatever means necessary. Alternatively, resource availability or abundance—spoils to divide—may improve the likelihood of reform. In both Finland and Zürich, these conditions were both present in the post-recession recovery phase, but it seems likely that these are neither sufficient nor necessary conditions. However, the researcher must remain open to the ways in which economic conditions impact actors' strategic choices in Chapter 8.

7.2.1c Broader Civil Sector Reform and Restructuring

In both Finland and Zürich the changes that were applied to teachers were part of a broader effort to reform or restructure the civil sector. In Finland, the compensation components—locally negotiated TVA and HL—had been in use for several years in other municipal sectors. Teaching was simply the last municipal sector where these ideas and strategies were applied. In Zürich, the MAB reforms developed and implemented in the late 1990s were linked to legislation which addressed wages, raises, and evaluation throughout the civil sector in the early 1990s.

In both cases, teachers managed to stave off the changes for a period—longer than any other group of employees—but they were implemented *eventually*. And, in both cases, one of the key arguments mobilised by the government and employers was that teachers were *like everyone* *else* in the public sector. Notably, this conclusion is both paradigmatic—reflecting beliefs and assumptions—as well as institutional—based on the organisation of public sector work. This institutional distinction—and its potential significance—may be most evident in the contrast between these cases and the U.S. context. In both Finland and Zürich, there is a public/civil sector—characterised by the same 'employer' across various sectors—which includes teachers.

In Finland, this is evident in the execution of collective bargaining agreements: teachers, doctors, civil engineers, and the rest of the local public workforce negotiates with the same employer—the municipality. In Zürich, the civil sector wage structure is determined by cantonal legislation and the wage levels—based on economic circumstances and political decisions about tax-levels—are determined by the Finance Department in collaboration with departments (like the Bildungsdirektion) in 'consultation' with social partners, a broad group that includes teachers amongst other public sector workers and their unions. In contrast, in the United States, teachers are employed by school districts—a political and administrative unit that is exclusively tasked with the provision of compulsory public education. Often, school districts as governing units are distinct from municipal governments. In many cases, school district boundaries are not the same as municipal boundaries. Thus, in the US, teachers do not have direct public sector counterparts.

Thinking about the ways in which the impact of broader restructuring of the public sector on teachers' work may 'travel' to the U.S. points to a key difference between the contexts. Though Finland and Zürich both feature degrees of decentralisation, the decentralisation of education decision-making in the United States is unique in important ways. Though other public sector workers are employed by the city or county (the smallest local unit) or state, teachers are hired and paid by the school district[179]. Though a significant part of the reform story in Finland and Zürich was the transfer to education of practices that had 'already been applied to everyone else'; teachers'

[179] Typically an independent governing unit with its own budget and the ability to levy taxes (see Section 8.3.1).

lack of direct peers in the United States may make it easier for teachers to maintain their 'special status'.

7.2.1d Global Reform and the Assault on Teachers?

In addition to the relationship between PRP for teachers and broader civil sector restructuring, it is also necessary to attend to the broader 'education reform shifts' that have characterised the last three decades, as outlined in Section 2.3.2. These global education reform movements (GERM) (Sahlberg, 2011) both create pressure for PRP reforms (Roberston, 2008), and also undermine teachers' unions' ability to resist them because of the erosion of teachers professionalism and professionalisation produced by GERM (Apple & Teitelbaum, 1986; Burbules & Densmore, 1991; Compton & Weiner, 2008; Maroy, 2009). Though global trends are certainly a relevant part of the reform story and its context (Section 2.3.2), these cases—particularly Finland—are not easily explained by significant global education reform pressures and its resulting erosion of teachers' professionalism and professionalisation (Hargreaves, 2000).

Section 2.3.2 outlined the importance of attending to the interplay between global movements and local application and reinterpretation. However, though these global forces are certainly significant in explaining the proliferation of these reform models, global forces alone cannot explain why reforms have been adopted in some countries but not others. This is particularly evident in Finland.

PRP, NPM, and 'neoliberalism' are particularly surprising in the Finnish context. Two factors that were cited as relevant to resisting global reforms are both relevant in Finland: the discursive and ideological context, particularly strong social-democratic states with commitments to the welfare state (Aasen, 2003) and the presence of capable veto players motivated to oppose reform (Martens, Nagel, & Windzio, 2010). Furthermore, Finland has largely resisted GERM, avoiding high-stakes testing and other performativity trademarks (Sahlberg, 2011). Instead of accountability, Finland is heralded for its trust-based system: the central administration's trust in municipalities, municipalities trust in schools and principals, and widespread trust in teachers (Niemi, 2012; Sahlberg, 2006; Simola, 2005). Though Finland has not been immune to education reform and change over the past two decades[180], it is a context in which global education reform has been strongly resisted. Furthermore, Finland's performance in PISA has only further elevated the teaching profession. If there is a context in the world in which 'neoliberal' education reforms are least likely to occur, and where the teachers' union is best equipped to oppose them if they are proposed, it is Finland.

Though global reform pressures, in terms of public sector management and education reform ideology, may help to explain the existence of pressures or motivations for reforms, they cannot explain the union's response to these pressures. The OAJ, by all accounts, was strong enough to resist the reforms. On all measures—ideological compatibility and receptivity, the strength of the teachers' union as a veto player, and teachers' professional resources and credibility—there is no reason to expect to find PRP for teachers in Finland. The explanation for its implementation is incomplete without a consideration of the strategies and actions of the OAJ. Though global reform movements—education reform, NPM, and 'neoliberalism'—are relevant to the Finnish case, an explanation that attributed explanatory power primarily to dominant global ideological pressures would be misguided. The enthusiasm or public support for reform ideas can, as evidenced in Zürich, certainly constrain the union's strategies and effectiveness in resisting them. But even in contexts in which reform enthusiasm is low—like Finland—reform can still occur. Thus, the salience of reform ideas in particular contexts, and the influence of global ideals—like reform leadership and the economic context—is a delimiting condition rather than a primary cause.

[180] There has been a relative increase in school choice, for example (Seppänen, 2003).

7.2.2 Union Response and Two Paths: Collaborative Compromise or Individualistic Power-Struggle

Section 7.2.1 outlined a number of relevant delimiting conditions that help to explain the timing of reforms and the resources available to unions to resist them. However, these factors alone cannot explain when and why PRP occurs. Finland and Zürich each illuminate a different path to reform—causal recipes that are different but not contradictory, consistent with causal complexity (Ragin, 1987, 2000, 2008) and equifinality (George & Bennett, 2005). Without further tests, it is impossible to confirm whether these causal paths are generalisable beyond the particularities of these cases—that is the task of Chapter 8. However, they provide some provisional answers to the question of when reform occurs and the role of teachers' unions in that process—answers that have significant implications for theorizing about teachers' unions' preferences and power.

The relationship patterns and interaction orientations (Walton & McKersie, 1965/1991) of the unions and employers in Zürich and Finland appear to be the point of greatest divergence between the two cases. In Finland, there was a clear cooperative relationship pattern—one that both employers and unions were committed to maintaining. In Zürich, the relationship between the unions and employers was more individualistic; it was characterised as an accommodative pattern. There was no evidence of either actor[181] attempting to change the relationship pattern in a cooperative direction. Given these differences, on the surface, it seems difficult to argue that the relationship pattern or the actors' interaction orientations can explain the outcome. Reform occurred in both cases despite different relationship patterns, so neither relationship pattern can be argued to be essential—or in the language of causation, a 'necessary' condition.

However, the influence of relationship patterns must be conceptualised as multiple causal pathways. While a cooperative relationship pattern may not be a necessary condition for PRP, it

[181] Employer or union.

may provide a new pathway previously not illuminated by existing theories. The contrast between the two cases provides rich ground for hypothesizing about multiple pathways which can be tested in Chapter 8.

The cooperative relationship pattern evidenced in Finland provides a potential explanation for why a union might choose to compromise in spite of having the requisite power to challenge or block a reform. The pervasive cooperation of union-employer relationships in Finland created an environment in which compromise was an assumed part of the union's (and employer's) strategic calculations. Both parties assumed that in order to get something that they wanted, they would need to give up something that the 'other side' wanted. Specifically, they knew that in order to get what they most wanted—more money for teachers—they would have to give up something—compromises on the form of compensation and the locus of negotiation. As a result, the outcome in Finland is not explained primarily by power, but by preferences. Relationally, maintaining the cooperative relationship pattern was a clear aspect of the OAJ's long-term strategy. They knew that if they damaged the relationship for short-term gains, it could compromise their long-term ability to negotiate effectively in the future, as the legitimacy and access the OAJ received from cooperative relations was significant to their long-term goals. As a result, the relationship provided boundaries and limits to union demands and expectations which directly affected the translation of their multiple and competing preferences into strategies and tactics—particularly the significant role of compromise.

Though the observed relationship pattern in Zürich (accommodation) was different, it does not contradict the hypothesis that a cooperative relationship may define a causal pathway for reform; it simply illuminates a different pathway. In the Zürich case, both parties attempted to pursue their interests individualistically, without regard to the interests of the other party, throughout the reform process. Thus, though the teachers were successful in stalling reform for a period, when public opinion shifted away from the teachers, the Education Directorate's was able to fast-track their plans. The development of the system was outsourced to an independent committee, thus eliminating any direct teacher participation. Though teachers' unions were able to comment in the formal consultative process, and the system was tweaked in light of these comments, the major pillars of contestation—the appropriateness of external evaluation and of linking teachers pay to these evaluations—were finalised without any further consultation of teachers.

Thus, Finland was a case where teachers' opposition was overcome through compromise incentivised by a stable, cooperative relationship pattern whose maintenance promised long-term benefits to both parties. In terms of the possible hypotheses outlined at the end of Chapter 3, this confirms the salience of both the preference and interaction orientation revisions (Table 3.8). Zürich provides a contrasting case—an example where reform was 'powered through' in spite of union opposition. The relationship pattern is still central to the developments in Zürich, but it *reflects* power dynamics rather than altering or balancing them. The case of Zürich supports the strength and power revision (Table 3.8). In both cases, relationship patterns and interaction orientations are a significant causal factor in explaining why reform occurred, and also provide a key link to the variability of teachers' unions' preferences and power.

7.3 Implications for Theories of Union Preferences and Union Power?

What are the implications of the findings on the likelihood of successful PRP reform for theories of teachers' unions' preferences and power? Moe's account, consistent with RC assumptions, portrays union preferences and interests as monolithic. The extent to which these interests are realised is exclusively determined by their power, which is conceptualised as a static resource and a bi-product of national institutional arrangements.

Simply put, both teachers' unions' interests and power in Finland and Zürich were far more complicated than Moe's formulation. First, union preferences were complex, with interests, strategies, and tactics reflecting a variety of calculations about how to best achieve multiple and competing goals (Section 7.3.1). Furthermore, union power was not a static concept; it varied over time and over space. These variations were linked to both internal and external factors, but the key point is that even the strongest union does not possess unchecked, unrivalled power—it cannot impose its will all the time (Section 7.3.2).

Finally, relationship patterns and actors' interaction orientations may play a significant role in the union's strategic calculations. Finland demonstrates that, other things equal, the union may be more likely to accept a reform than it otherwise would in order to maintain a good relationship with a collaborative partner. Though this mechanism was only displayed in Finland, the fact that it did not occur in Zürich does not contradict this finding and provides valuable counter-factual evidence regarding delimiting conditions of relationship patterns (Section 7.3.3).

7.3.1 Union Preferences

Both Finland and Zürich challenged monolithic and static portrayals of teachers' unions' preferences. The findings present a more complex picture of union preferences—both in terms of the diversity of members' preferences as well as the complexity of their aggregate expression as organisational preferences—than many existing theories. Chapters 5 and 6 addressed the variability of unions' preferences in great detail; this section does not repeat those detailed analyses, but draws out a few key analytic generalisations. First, teachers' unions' interests are not clear and straight-forward—they are diverse and complex at both the individual (teacher) and collective (union) levels. The interests of individual teachers are as diverse as the particularities of their work[182] as well as their ideas about teaching and the role of the union. The union is tasked

[182] Their grade level, subject, and geographic location

with simultaneously representing or reflecting this diversity as well as unifying it. Thus, the union is not driven by a singular goal, but multiple goals.

Second, in both cases, but particularly the Finnish case, it was clear that the union was driven by multiple, *competing* preferences. The findings from both Finland and Zürich echo Nina Bascia's observation of teachers' and their unions' preferences: "there are several common claims…all of them are accurate some of the time" (2008, p. 97). Though the unions' goals may not be contradictory, they may not be able to achieve all their goals all of the time. Instead, the union, when faced with trade-offs, may have to make choices about what it wants most. These choices are based on both internal factors—like the relative weights attached to various goals or preferences or conceptions of members' preferences and demands—but they are also strategic or tactical choices based on conceptions of what is possible in both the short- and long-term.

In terms of interest group theory, Moe (1981) advanced a 'mixed' theory that was a hybrid of pluralist accounts that posited group leadership was constrained by members' interests and Olson's (1965) theory of selective incentives. However, in the case of teachers' unions, Moe's (2006, 2011) description relies primarily on the pluralist account: teachers' union leaders are constrained by members' preferences for higher salaries, benefits, and job protection[183]. Similarly, the industrial relations literature (Section 2.2.1b) tends to emphasise unions' function to protect jobs and increase wages and the negative consequences for firm profit and performance (Bennett & Kaufman, 2004; Booth, 1995; Hirsch & Addison, 1986; Kaufman 2004).

Union leaders may be constrained by members' preferences in line with a pluralist interest group theory account, but this does not produce a clear account of union goals. Because union members are attracted by a range of 'purposive goals'—economic and non-economic—and may have different preferences within a single goal area, the mandate passed from members to

[183] This is a typical portrayal of teachers' unions (see McDonnell & Pascal, 1988).

leadership is anything but clear (Johnson, et al., 2007; McDonnell & Pascal, 1988). Leaders are faced with a complex task in choosing how they prioritise goals and the strategies through which they pursue them. These findings lend support to Kaufman's (2002) emphasis on the diversity of union members' interests—that workers are interested in a wide-range of economic benefits and that all members do not share equally from all gains.

Ultimately, definitively establishing whether union opposition to PRP was motivated by economic interests or pedagogical or professional objections[184] is impossible as both explanations are possible (Bascia & Rottman, 2011) and both were employed as explanations for opposition. But a case for altruism—whether guided by professionalism or some other consideration—does not need to be proven in order to establish the complexity of union preferences. Even focusing on short-term economic self-interest alone, the complexity, diversity, and potential variability of teachers' and unions' preferences are clear. In addition to establishing the empirical complexity of union preferences, these findings also point to the significance of union's internal capacities (Scharpf, 1997) or what Walton and McKersie (1965/1991) label intra-organisational bargaining.

7.3.2 Union Power or Influence on Policy-Making Outcomes

Both cases confirm that union power—the influence that teachers' unions have on policy-making and policy outcomes—is not monolithic. It can vary over space—both within and between countries—and over time, confirming the 'contingency of power' (Immergut, 1992), which is exercised through the 'influence process' (Laswell & Kaplan, 1950). Sometimes these differences in influence may be linked to different 'strength resources', like membership levels and revenues, available to unions. For example, one would expect a union who represented 75% of all teachers to have more influence than an organisation that only represented 13% of teachers.

[184] Or some combination of the two.

However, as outlined in Section 2.2.2a, Chapters 5 and 6 have confirmed that the 'same resources' may not translate into equivalent influence over space or over time, confirming the challenges inherent in quantifying or operationalising teachers' unions' strength or power (McLendon & Cohen-Vogel, 2008; Strunk & Reardon, 2010). Institutions that define the actor constellations that determine policy may imbue identical resources with differential access or influence. This variability, though evident between countries, can also be significant *within* countries. Section 7.3.2a explores the differences in union power which were linked to the relevant institutional context—political versus bargaining. Though these differences were observed across cases, they could also have significant within-case implications: a union could have differing influence across institutional domains. Then, Section 7.3.2b outlines the way union power varied between the national and local levels in Finland and Section 7.3.2c focuses on the observed variability of union power over time in the case of Zürich. Each source of variability may have significant implications for considering teachers' unions' influence in the United States—providing strong support for the importance of attending to sub-national differences. These implications are outlined in each section.

7.3.2a Bargaining Power versus Political Power

When it comes to the institutional arrangements that constrain or enable union influence, the potentially relevant institutions are numerous. Furthermore, a union's power in one domain may not translate perfectly into another (Streshly & DeMitchell, 1994). Finland and Zürich provide examples of these differences, which carry significant implications for thinking about teachers' unionism in the U.S. context.

First, in terms of differences between Finland and Zürich, the opportunity structure for union participation and influence is markedly different between the two contexts. In Finland, tripartite negotiation between peak associations formalises a degree of bargaining power for unions. These negotiations are also linked to other avenues of influence through committee participation, consultative processes, and other political channels. In Zürich, by contrast, the union has very little bargaining power. Interviewees and informants disagreed as to whether public sector unions engage in 'bargaining', but the disagreement seems to be largely semantic; even those who maintain that the unions 'bargain' describe the process as one in which the unions are consulted but have no real veto power over the outcome.

Given the centrality of collective bargaining in conceptions of union strength and power, it would be easy to conclude that the ZLV has no power—especially in comparison to the extensive political and bargaining power of the OAJ. However, due to the particular institutions of Swiss democracy which privilege interest groups—particularly through the role of direct democracy—the ZLV can still exert formidable political power. Though the MAB reform process illuminates some of the challenges to exerting and maintaining this kind of influence, the teachers' ability to stave off the reforms for five years speaks to the significance of this kind of political power.

Before turning to a closer examination of some of the particularities of union influence in Zürich and Finland, a few distinctions about institutional determinants of union power are critical, particularly pertaining to bargaining versus political power. First, bargaining power and political power are not perfectly correlated. Though considerable bargaining power will likely lead to political power (e.g. the OAJ), it is possible for a union to have political power without a commensurate level of bargaining power (e.g. the ZLV). If the uncorrelated nature of bargaining and political power is accepted, then it follows that a union's influence on a particular issue may be issue and context-dependent. For example, the union will have a difficult time influencing anything that is decided exclusively in the bargaining domain in Zürich, like the level of annual raises. Institutionally, the ZLV simply has no levers to influence this outcome. This is an important analytic point and a significant revision to existing conceptions of union strength and power, as they often treat union power as a phenomenon that does not vary over time, space, or issue.

The differences between bargaining power and political power are salient for the U.S. context. First, though bargaining is the bedrock of teachers' unions' organisational power, union influence at the state and national level occurs exclusively through politics. Secondly, and more germane to this inquiry given the emphasis on school districts in Chapter 8, local union influence on a particular issue may involve bargaining, political influence, or both. Furthermore, in districts without collective bargaining (Section 4.4.1), political influence provides the exclusive means for influence. In many ways, Finland and Zürich provide apt analogies for unions across the U.S. with unions in districts where collective bargaining is legal mirroring Finland, and unions in districts where bargaining is illegal resembling Zürich.

7.3.2b Variation Over Space: Sub-national Differences

Though understanding the institutional domain in which decisions are made—bargaining or political—and the way union participation is constrained or enabled within that arena provides important information about union power in that context, it presents an incomplete picture. Union power is invariant or contingent in numerous other ways. For example, in Finland, despite the considerable bargaining and political resources available to the OAJ, the power of the national union and that of the locals are marked by considerable differences. As outlined in Chapter 5, due to the laws governing local bargaining which give employers the right to make the final decision if they cannot reach an agreement with the union, local unions are considerably weaker than their peak associations. This does not explain why the reforms occurred in Finland, as they were negotiated at the national level where the union has considerable influence. However, these differences illustrate the potential for sub-national variation in union influence and confirm the importance of situating definitions and analysis of union strength and power at the appropriate level of decision-making.

Hypothetically, if one were interested in understanding the outcomes of local negotiations in Finland—the relative distribution of HL versus TVA compensation—analysis of union influence should focus on the considerable constraints on local union power. The influence of the OAJ nationally would not provide an adequate explanation of the strength or weakness of the local unions.

This is significant when considering the strength and power of teachers' unions in the United States. Given the significance of state and local decision-making in education in the US, the majority of education policy and decision-making does not occur at the national level. In order to understand union influence on these state and local reforms, the particular opportunity structure for union influence at the relevant decision-making level must be taken into account. Given the considerable differences in collective bargaining laws (Johnson & Donaldson, 2006) and the resulting variability of union organisation and resources (Section 4.4.1a), it seems unlikely that all unions, at all levels, in all parts of the U.S. are equally successful at influencing decisions. This should produce caution about generalisations about the power of 'US teachers' unions' that do not attend to the particular processes through which various unions attempt to influence decision-making. Furthermore, it confirms the importance of sub-national case studies in the U.S.

7.3.2c Variation Over Time

The final way that the contingency of union power was observed in Chapters 5 and 6 was in the variability of power over time. This was clear in Zürich, where the reform process was composed of two distinct but interrelated epochs. Though union opposition successfully stalled reforms for several years (1991-1995), their influence was diminished in the mid-1990s, confirming the temporal dimension of unions' power.

The difference in Switzerland was rooted in individualistic relationship patterns characterised by opportunism—the union had influence when it could threaten a referendum challenge. Neither the union's interests nor the institutional constraints changed during this period. Instead, the balance of power shifted away from the union in the mid-1990s as there was a swell of NPM-enthusiasm in Zürich. This observation points towards the final important observation about institutional constraints on union power. Specifically, in addition to determining the resources and opportunity structure for union influence in particular, institutions also determine the other actors who may mitigate union influence.

In the case of Zürich, both shifts in public opinion as well as an increase in commitment to reform amongst key leaders provided a countervailing force that offset union opposition. As the research focuses on the U.S. context, it will be important to remain sensitive to the factors that are external to unions that may enhance or detract from their power.

Though U.S. teachers' unions may have considerable power (Bascia, 1990; Cooper & Sureau, 2008b; Hess & West, 2006; Kahlenberg, 2006; Koppich, 2005; Koppich & Callahan, 2009; Moe, 2006), it is contingent and may vary over space, time, and issue (Malen, 2001; Streshly & DeMitchell, 1994; Urban, 2004). The contingency of teachers' unions' power confirms the importance of investigating their influence at the sub-national level in the United States, in order to be able to explain the documented variation of union interest, action, and policy outcomes (Bascia, 1990; Johnson & Donaldson 2006; Johnson & Kardos 2000; Murray, 2004).

7.3.3 The Significance of Relationship Patterns: The Pivot of Preferences and Power

In addition to providing a more broadly-structured framework for approaching actors' preferences than short-term economic self-interest, ACI also emphasised the potentially significant role of non-policy outcome preferences (Scharpf, 1997, 2000). Specifically, it emphasised the importance of actors' relational preferences. Relationship patterns and interactions provide the most significant problem- and theory-oriented contribution of Chapters 5 and 6. Theoretically, relationship patterns and actors' interaction orientations speak to both the contingency of teachers' unions' power—explaining its variability in Zürich and its stability in Finland—as well as mechanisms that may induce unions' to compromise.

Moe's account of teachers' unions is built on the assumption that teachers' unions—if they are powerful enough, which Moe argues, in the case of the US, they are—will block reforms (like PRP) that they oppose. This theoretical articulation ignores the possibility that the union either might not oppose a particular reform or that they might choose, for some reason, not to block a reform that they oppose. The only question, according to Moe's postulate, is whether the union is strong enough to block the reform.

However, the two causal pathways represented by Finland and Zürich present significant revisions to Moe's assumptions about unions' preferences and also to the variability of union influence. Both cases confirm the importance of the relationship pattern for explaining the reform pattern. (Refer to Figure 3.6 and Table 3.7 for an overview of relationship patterns and interaction orientations).

In Zürich, it was individualistic or 'accommodative' and neither actor seemed to be attempting to alter that pattern. Thus, unions were included when they could threaten the outcome and management took steps to advance their goals with minimal union involvement when they could (1996-1999). In Finland, both the relationship pattern (cooperative) and the actors' interaction orientations—to maintain trust-based cooperative relationships—were clearly evident. These considerations significantly impacted the strategies employed by both the union and management; compromise was viewed as a strategic necessity. Thus, cooperative relationship patterns and a desire to maintain them encouraged compromise in the Finnish case.

These causal pathways further confirm the salience of Walton & McKersie's (1965/1991) theory of labour negotiations. In addition to the importance of intra-organisational bargaining (Section 7.3.1) and the causal significance of relationship patterns, they also support the relevance of integrative versus distributive bargaining (Section 2.2.1b). Integrative bargaining—problem-solving approaches that create joint gain, rather than zero-sum distributional conflicts—is closely linked to trust and correlated with cooperative relationship patterns (Bennett & Kaufman, 2004; Walton & McKersie, 1965/1991). Integrative bargaining provides an opportunity for unions to express their 'voice face' rather than their 'monopoly face', which dominates distributive issues (Freeman & Medoff, 1984).

Furthermore, Finland appears to provide a strong case for examining the theories of professionalism and corporatism outlined in Section 2.2.1c and 2.2.1d. The OAJ benefits from an extensive corporatist system which gives unions a seat at the table in significant decisions (Sections 5.3 and 5.4). Furthermore, teachers' professional standing—a long history of respect for teachers which has only been bolstered by Finland's recent PISA success—appears to give them a 'special status' and credibility in education policy-making (Gunderson, 2005; Williamson 1988). However, neither the advantages of professional standing nor privileged access vis-à-vis corporatist institutions provided the OAJ with a 'blank check' of power. Instead, the desire to preserve their standing—as a cooperative social partner and a defender of quality public education—encouraged the OAJ to compromise.

How do these cases inform teachers' unions' interests and influence in the United States? As this research transitions from the international perspective back towards the U.S. context, some readers may object that these analytic generalisations will not be relevant in the U.S. context because the nature of teachers' unionism or education policy is just too different. Ultimately, that is an empirical, rather than theoretical, question, settled in Chapter 8. But the point may be particularly salient in terms of the cooperative relationship pattern because it mirrors, in many ways, themes of consensus-oriented democracies and corporatism.

Does the ‘cooperative compromise’ pathway depend on the institutional structures and cultural context of small corporatist nations? Katzenstein’s (1985) description of the historical and contextual factors that incentivise cooperation are an apt description of the Finnish context, where there was a widespread acknowledgement that “all members of society are in the same small boat, that the waves are high, and that everyone must help pull the oars. Domestic quarrels are a luxury that prudent persons will not tolerate” (p. 35). Though Katzenstein (1985) is careful to argue that the ideology of social partnership should not be equated with an individual predisposition towards compromise, he argues that the ‘culture of compromise’ is achieved and maintained through institutional arrangements that demand interest intermediation.

If the cooperative relationship pattern observed in Finland is a bi-product of the particular consensus-oriented and corporatist institutional arrangements, then scepticism about the salience of this causal pathway in the U.S.—a prototypical majoritarian, competitive democracy—is justified. However, the case of Zürich provides a helpful contrast to Finland. Though the details are different—for example, an absence tripartite corporatist negotiation in Switzerland—Switzerland is also classified as a consensus-oriented democracy noted for the institutionalisation of power-sharing arrangements and mechanisms (Lijphart, 1999). This counterfactual suggests two things. First, it confirms that power-sharing institutions are not a sufficient condition for a cooperative relationship pattern. And second, that Finnish cooperation, though encouraged by institutions, is also a relational phenomenon—the product of trust and friendliness between individuals (Scharpf, 1997; Walton & McKersie, 1965/1991).

Though majoritarian political institutions and a competitive political culture and discourse may provide additional obstacles to establishing this kind of relationship pattern, it is certainly possible that individuals—in spite of more aggressive patterns elsewhere—could, over time, establish a cooperative relationship based on trust, what Walton and McKersie (1965/1991) label 'attitudinal bargaining'. This has been confirmed in studies of local negotiations in the U.S. Several authors have argued that negotiations may be adversarial in one place and collaborative in another and that some contracts are restrictive while others are flexible (Johnson, 2004; Johnson & Donaldson, 2006; Kerchner & Koppich, 1993; Kerchner, Koppich, & Weeres, 1997; McDonnell & Pascal, 1988; Murray, 2004). A diverse set of causal factors have been identified, from particular bargaining approaches to shifts in beliefs and ideology of bargaining parties, to the history of labour-management relationships, prior contracts, and the personalities of participants (Johnson & Donaldson, 2006; Johnson & Kardos, 2000; Kerchner & Koppich, 1993; Kerchner, Koppich, & Weeres, 1997). All of these studies establish that cooperative and productive union-management relationships are possible in the U.S.

7.4 Turning to the US: Deductive Congruence Testing towards Typological Theorizing

The crucial cases explored in Chapters 5 and 6 tested Moe's account of teachers' unions. The findings appear to directly challenge Moe's account. However, apparent falsification may simply require enlarging or further specifying the causal model. It may be necessary to add factors—either interaction effects or delimiting conditions—that reduce the scope of generalisability. The apparent disconfirmation of Moe's thesis and findings from these cases produce four theoretical options (Gerring, 2007). First, the theory may have probabilistic rather than invariant or deterministic explanatory power. However, because the fundamental mechanisms or assumptions of the theory have been questioned—suggesting that Moe's account functions more like a covering law than a causal explanation—this seems unlikely. Second, Moe's account may be true in the United States, but may just not apply outside of the U.S. context. Third, Moe's account may be true, but in need of reframing; it may need greater specification of key concepts or mechanisms. Or, fourth, the challenges to Moe's account, after further testing, may be confirmed—falsifying it.

In order to either confirm the emerging hypotheses outlined in this chapter, to determine the ways in which Moe's account must be delimited and reframed in order to account for the U.S. context, or to specify the ways in which U.S. teachers' unionism—either in terms of their preferences or power—is distinct from its international counterparts, further testing is required. Thus, the emerging hypotheses and revisions produced by the Finnish and Swiss cases were tested in the United States (Chapter 8). The new hypotheses' explanatory or predictive power was tested using the congruence method. The first step in the deductive application of the congruence method is to construct a theory-based map of the property space, which can then be reduced to the most useful types. According to George and Bennett:

> The theory employed in the congruence method may be well-established or it may be formulated or postulated by the investigator for the first time on the bases of a hunch that may turn out to be important. (2005, p. 182)

The greatest challenge is deciding how many variables to include. George and Bennett suggest that "Parsimony and simplicity are always preferable, but they should be sacrificed when complexity is necessary for adequate explanatory theory" (2005, p. 247). The second step is to reduce the property space, and then finally, to construct the research design based on the property space.

Though a variety of factors were found to be relevant to the PRP process—as captured by Figure 7.1—the U.S. test worked, consistent with Ockham's razor, from the 'centre out': it tested the factors that were hypothesised to be most significant or 'proximal' to the reform outcome to see if they can account for the policy outcome. The analysis 'zoomed out' to include increasingly 'distant' causal factors only when required. Through this process, U.S. case studies were used to test whether union preference calculations and interaction orientation can predict reform outcomes.

FIGURE 7.3: Modelling Reform Outcomes—Towards a Typological Theory

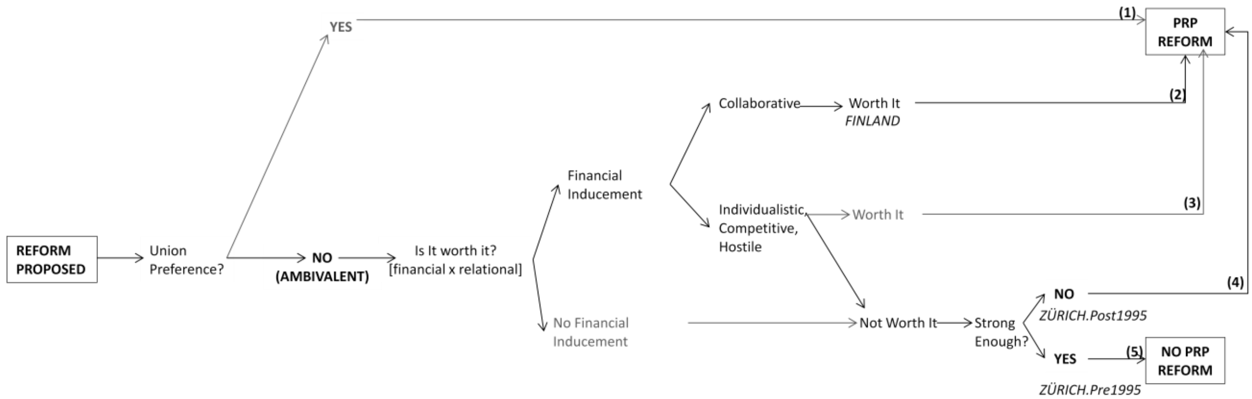


Figure 7.3 provides a model of the hypothesised relationships which can be applied to out-of-sample cases. It provides a formalisation of what George and Bennett call a typological theory, which:

> ...specifies the independent variables, delineates them into categories for which the researcher will measure the cases and their outcomes, and provides not only hypotheses on how these variables operate individually, but also contingent generalisations on how and under what conditions they behave in specified conjunctions or configurations to produce effects on specified dependent variables. (George & Bennett, 2005, p. 235)

Grey lines and text represent causal pathways that are unobserved due to the limited number of cases. However, they provide logically-derived hypotheses, based on the available data, of what the outcome of these 'empty property spaces' would be, using Ragin's comparative logic. Though the formalisation of these hypotheses is difficult for the reasons suggested by Immergut (1998) above—complex configurations and many variables relative to few cases—attempting to formalise the hypothesis and apply it to new cases is an attempt to 'put the explanation at risk':

> Formalisation helps put a theory at risk by constraining the logic and clarifying key variables. Formalisation promotes rigorous argumentation and structures statistical analysis. It does not improve our capacity to do statistical analysis of questions for which

> the statistics are not adequate, but it can improve our capacity to identify the factors that must be present, the necessary causal relationships, and the mechanisms that link them. (Levi 1999, p. 170-171)

This is the task of Chapter 8—to test the predictions and theoretical generalisations derived from the international cases. If the U.S. cases defy these hypotheses, they may suggest a variety of conclusions, the final research task will be to determine the delimiting conditions that make these theories and underlying mechanisms operate in these contexts but not in the U.S. cases. However, if confirmatory evidence is discovered, it will considerably strengthen our confidence in these hypotheses. Furthermore, given the direct conflict between Moe's account and the hypotheses developed in this chapter, if the U.S. cases mirror these findings, they will place Moe's account increasingly in doubt.

CHAPTER EIGHT: Teachers' Unions in the United States, A Sub-National Test

8.1 Introduction

The first stage of this research (Chapters 3-6) focused on international cases where PRP had been implemented in spite of the presence of strong unions—Finland and the Canton of Zürich. These crucial cases provided an opportunity to test Moe's account of teachers' unions and his assumptions of their preferences and power. These cases produced a number of potential revisions for Moe's account related to unions' preferences, power, and the role of interaction orientations in shaping union strategy and behaviour. However, it is possible that these findings are not transferable to the U.S. context. Perhaps teachers' unions in the United States are unique and Moe's account *is* an accurate description and predictor of union behaviour in the U.S. If that is the case, then the delimiting conditions that distinguish the U.S. from the examined international cases must be specified.

Despite maintaining that teachers' unions tend to block reforms like PRP in the U.S., even Moe acknowledges that some apparent anomalies—states or districts that have embraced some version of PRP—exist, confirming that the questions 'when do such results (PRP) occur? And why don't they always?' are salient in the U.S. context. Though Moe argues that many of the "departures from the single salary schedule (within the United States) didn't amount to much" (2011, p. 311), he identifies some innovative performance pay programmes that were implemented *in spite* of union opposition in Florida, Texas, and Minnesota. These appear to be exceptions to his broader argument about teachers' unions' power and their effect on education policy in the United States. This chapter examines the variable school district participation in these state contexts—instances where the irresistible force of reform appears to have moved the immovable object, as it did in Finland and Zürich. It tests the predictive power and generalisability of the typological theory produced in Chapter 7.

In each state Moe highlighted (Florida, Texas, and Minnesota), school district participation was voluntary—contingent on a district-designed plan that would include teacher performance measures that were at least partly informed by student test score gains. Overall, district participation was low—in Florida only eight of 67 districts participated and in Texas, 18 of 1,223 districts participated. Though the low take-up rates could be portrayed as a limitation on states passing voluntary reforms, they provide a unique opportunity to examine the factors that may have led some districts to participate and not others. Perhaps these particular instances of reform—whether viewed at the state or district level—are simply aberrations from some general rule that holds all the time, in every other jurisdiction of the United States. However, given the potential diversity of reform experiences across districts, "findings reporting (the) average impact offer little (of) use to policy-makers" (Johnson & Donaldson, 2006, p. 113). Covering laws must be replaced with causal mechanisms and contingent generalisations. Furthermore, these 'exceptional cases' have both practical and theoretical value, providing a crucial test of the hypotheses outlined in Chapter 7 in the U.S. context: that there are two causal pathways to overcome union opposition to reform—cooperation or power.

In 2010-2011, before Moe published *Special Interest,* research was conducted on the role of U.S. teachers' unions at the school district level, on the implementation of 'merit pay' policies (Whorton, 2011). That study focused on the implementation of state-level PRP grants at the school district level in Texas and Florida, and those cases are the focus of this chapter. Case selection and methodological choices are outlined in Section 8.2.

The decision to focus on school districts has a number of advantages. First, a school district focus is appropriate to the phenomenon being investigated, as the decision to participate in the grants, or not, was made at the school district level. Second, examining school district opt-in or opt-out choices to a state-wide programme provides pseudo-experimental control conditions, as outlined in Section 8.3. Section 8.4 details the analysis of the six U.S. districts based on the typological theory constructed in Chapter 7. The U.S. cases confirm the typological theory and provide a key insight for its further revision and elaboration, as outlined in Section 8.5.

8.2 Case Selection and Methodology

This chapter deductively applies the congruence method in the U.S. context. Can the typological theory outlined in Chapter 7 (Figure 7.2) explain reform outcomes? Before turning to analysis in Sections 8.3 and 8.4, this section outlines the case selection process (Section 8.2.1) and methodological choices that guided data collection and analysis (8.2.2). Though the research design is consistent with the principles outlined in Chapter 4, a few distinctions require explanation.

8.2.1 Selection Process

Despite recent increases in its influence, the role of the Department of Education (US DOE) and national legislation remains limited in the United States; significant educational decision-making rests in the hands of states and local school districts (Berkman & Plutzer, 2005). The United States is a federalist political system characterised by a careful balance of power between federal and state governments. The remit of the federal government is constrained to those powers exclusively given it within the Constitution. According to the 10th Amendment of the Bill of Rights, any power not explicitly given to the federal government nor prohibited to the states is reserved to the states (Berkman & Plutzer, 2005). From the founding of the first normal school in the 19th century, public education has been consistently championed as the exclusive domain of the states (Berkman & Plutzer, 2005; Meyer, Scott, & Strang, 1987). The diversity of inter-state and inter-district policy-making and bargaining contexts is well-documented—diversity that defies simple generalisations (Berkman & Plutzer, 2005; Johnson, 2004; Johnson & Donaldson, 2006; Meyer, Scott, & Strang, 1987). Though descriptions of U.S. education policy ‘averages’ may be appropriate in some contexts[185], they obscure more than they reveal[186] (Johnson, 2004; Johnson & Donaldson, 2006). Generalizing at the national level and ignoring significant subnational diversity produces flawed theories and descriptions:

> Comparativists too often rely on national-level means and aggregate data when studying countries with high degrees of internal heterogeneity. This tendency to unreflectively gravitate toward national-level data and national units of analysis—what Stein Rokkan (1970) called whole-nation bias—has contributed to a *miscoding* of cases that can distort causal inferences and skew efforts at theory building. (Snyder, 2001, p. 94)

In addition to being the dominant policy-making domains in the United States, focusing on subnational units presents a number of advantages: it produces more empirically valid descriptions, classifications, and causal inferences; allows (nationally) uneven political processes and changes to be observed; and facilitates the construction of controlled comparisons (Lijphart, 1971; Snyder, 2001).

Though crucial cases (as defined in Section 4.4.1) where PRP had been implemented—what Moe (2011) labels 'small victories for sanity' (p. 215)—existed at both the state and district levels within the United States, this research focused on district-level decision-making. In *Ten Thousand Democracies,* Michael Berkman and Eric Plutzer (2005), help to put the key role of school districts within U.S. education policy in context:

> …no more than 10 percent of public school revenues has ever come from the federal government. Moreover, the U.S. Supreme Court has held that education

[185] For example, in international comparisons

[186] For example, national averages of teachers salaries conceal important differences in teachers' salary structures between states and school districts

is not a fundamental right guaranteed in the federal Constitution[187]…The action in public education, especially in the financing and administration of American schools, is in the more than 14,000 school districts they have created. (p. 20)

Though the role of states in establishing education policy and mandating reform has expanded since the peak of local control (Hanson, 1983, 2013; Moe, 2011), school districts are particularly significant when exploring teachers' unions in the U.S. as school districts are the domain of collective bargaining—the bedrock of union organisation and a significant mechanism in the 'politics of blocking' (Moe, 2011). However, though there was an identifiable set of districts which had implemented PRP reforms[188], district-level selection presented a series of challenges. First, because of the complexity of inter-governmentalisation and 'nested systems' (Aggarwal, 2005; Hanson, 2013), ensuring that selected districts are comparable-cases is inherently difficult. Even from amongst participating districts, cases could not be selected randomly; selection needed to be systematic. Second, for the most compelling application of the congruence method, the sample of districts needed to include both districts with and without PRP reforms. Thus, even if participating districts could be selected in a methodologically sophisticated way, identifying comparable non-PRP districts would present a further challenge. 'Negative cases' needed to be as similar to 'positive cases' (PRP) as possible—ideally with the only difference being the presence of the reform outcome (Ragin, 2000). Beyond descriptive similarities (size, urbanicity, etc.), negative cases needed to be cases where PRP had been considered or attempted but abandoned: cases where 'reform had failed'.

The solution to these challenges was to employ a two-fold selection process, first selecting two states (Section 8.2.1a) and then selecting a sample of districts from within those states (Section 8.2.1b). This two-fold selection process had a number of advantages and allowed the researcher to

[187] This is not to suggest that education is not a 'right of citizenship' in the United States, but simply that it is not explicitly addressed in the federal constitution, but is devolved to the state level.
[188] Teacher Incentive Fund grantees, among others

‘control for’ many important institutional and contextual variables (Lijphart, 1971; Snyder, 2001). By first selecting states with state-level merit pay policies or grants to which districts were forced to either opt-in or opt-out, it was possible to compare participating to non-participating districts under pseudo-experimental control conditions—making methodologically robust selection of negative cases possible.

8.2.1a State Selection Process

In 2010, there were state-level merit pay policies in fourteen states—Alaska, Arizona, Arkansas, Florida, Georgia, Virginia, Indiana, Iowa, Minnesota, North Carolina, Rhode Island, Tennessee, Texas, and Utah. Because the research aimed to isolate the decision- and policy-making process at the local level, the state merit pay policies needed to meet a number of criteria. First, the state-level policy could not be mandatory[189]; it needed to allow district choice in terms of participation and non-participation. Second, it needed to allow, as much as possible, local design of the district policy in order to approximate a non-state granted reform as closely as possible. Together, these features allowed for a meaningful comparison between a district with and without PRP in terms of how unions shape, influence, or obstruct reforms.

Within the aforementioned states, the policies could be divided into several types. Some of the states simply had state laws that required a certain percentage of salaries to be provided through some form of differentiated compensation policy. These were eliminated from consideration both because they were mandatory—they left no option for non-participation—and because they dictated the exact terms in the legislation leaving no room for local design. A second set of state policies were new programmes in which the state had selected a few districts to pilot merit pay programmes. Again, these did not allow for a selection on the basis of participating and non-participating districts as the programme was not open to all districts. After eliminating the

[189] There was some disagreement about the degree to which the Florida MAP/STAR plans were optional, but despite it being labeled a state ‘mandate’, the vast majority of districts did not participate and there were no consequences for non-participation. So, effectively, the policy was optional.

states with either pilot programmes or legally prescribed requirements four states remained—Florida, Minnesota, Texas, and Utah.

For several reasons, Texas and Florida were selected from amongst these four states. First, Texas was the only state amongst the four in which collective bargaining is illegal, while collective bargaining was legally required in Florida, which allowed for a comparison of variation in influence across institutional arrangements[190]. Furthermore, Texas and Florida both include a diverse set of districts; both have large urban, suburban, and relatively small rural districts, while Utah and Minnesota each only have one or two urban districts—Salt Lake City in Utah and Minneapolis and St. Paul in Minnesota—and neither of these districts are amongst the largest 100 in the United States. In contrast, Texas has 18 districts amongst the nation's largest 100 and Florida has 14[191]. As a result, in addition to the difference in collective bargaining arrangements, Texas and Florida contain sets of districts that are both comparable to one another and more representative of the nation as a whole.

Both states passed state-wide PRP policies that provided additional funding which school districts could access by designing a PRP plan within state-established parameters. These plans, the Merit Award Programme (MAP) in Florida and the District Awards for Teacher Excellence (DATE) in Texas[192] provide excellent opportunities for comparison, because they essentially force merit pay onto the policy-making agenda in every district in the state.

8.2.1b District Selection Process

Two considerations guided the district selection process. First, districts were selected to reflect the 'universe' of cases (Table 8.4). Ensuring both strong and weak unions was addressed primarily through the state selection, and then both participating and non-participating districts

[190] Collective bargaining is also required in Minnesota and allowed in Utah.
[191] Based on the 2007-2008 school year, the most recent year for which data was available at the time of selection (National Center for Education Statistics, 2011). In 2008-2009, of the nation's top 100 districts, 14 were in Florida and 19 were in Texas.
[192] For complete descriptions of these plans, see Appendix IV.

were selected in each state. Second, these selected cases needed to be sufficiently similar in order to isolate the variables of interest. Two factors that are most likely to impact the local reform and policy-making process are district size and socio-economic status, so these factors needed to be controlled. These control factors are outlined first, and then the purposive random sampling method is described.

District size may significantly impact the nature of local politics. Many scholars have suggested the importance of the interaction between size and group politics, suggesting that "As organisations grow larger, any sense of individual effectiveness tends to decline", which leads to weaker incentives and less participation, in addition to bureaucratically induced unresponsiveness to any citizen participation that *does* persist (Mintrom, 2009, p. 795). If true, this lack of public participation could likely increase the effectiveness of union opposition—or conversely support—for a given policy as their 'democratic voice' makes up a larger percentage of the whole.

Second, differences between districts that enrol large percentages of low-income students as opposed to those that do not may have significant implications for the reform context—though the impact of relatively lower income on school district politics is debated, with some scholars arguing that unions would be advantaged in low-income districts (Coleman, 1990) while others claim that the dysfunction and underperformance of urban districts favours 'reformers' (Goldhaber, DeArmond, Player, & Choi, 2008).

However, determining the size or direction of these effects is unimportant; it is generally accepted that the policy-making and reform process is unique in districts that serve a large number of disadvantaged students. Furthermore, district size—particularly when talking about the top percentiles of the distribution—is highly correlated with urbanicity, and in turn, with demographic composition in terms of both race and socio-economics. Therefore, these differences—regardless of their effect on teachers' union power, its strength, or direction—were 'controlled' by restricting the analysis to the largest 100 school districts in the United States.

According to the National Centre for Education Statistics (NCES), in 2008-2009[193], there were over 13,800 school districts in the United States, representing a wide-range of organisational and governance structures, as well as sizes and characteristics (NCES, 2011). The 100 largest school districts in the United States—less than 1% of all districts—educated 22% of the nations' students. Furthermore, large, urban districts have notably high-concentrations of non-white and economically disadvantaged students, often with disproportionately fewer resources than affluent suburban school districts (National NCES, 2011).[194]

Of these 18 Texas districts, 14 participated in the DATE programme—77% of the largest districts compared to 16% of the total—with four districts not participating (Springer, et al., 2010), further confirming the need to control for district size and urbanicity. In Florida, participation rates in the MAP programme were even lower than those in Texas. According to correspondence with the Florida Department of Education (FDOE), in the first year of the programme, only 10 districts and a number of charter schools submitted compliance plans, and only eight of those ten implemented their plans. In 2010-2011, only four districts and over 150 charter schools were participating in the programme.

From the 18 districts in Texas and 14 in Florida, a purposive random sampling was used to select both participating and non-participating districts. In Texas, three districts were selected—two from the subset of participating districts and one from the subset of non-participating districts.

[193] The most current data available when cases were selected.
[194] A result of the high level of reliance on local property taxes for funding

TABLE 8.1: DATE Participation in Texas

	LARGEST DISTRICTS	OTHER DISTRICTS	**ALL DISTRICTS**
PARTICIPANT	14 (77.8%)	185 (15%)	199 (16%)
DID NOT IMPLEMENT	4 (22.2%)	1038 (85%)	1042 (84%)
TOTAL	18	1223	1,241

TABLE 8.2: MAP Participation in Florida

	LARGEST DISTRICTS	OTHER DISTRICTS	**ALL DISTRICTS**
PARTICIPANT	5* (36%)	5* (8.3%)	10* (13.5%)
DID NOT IMPLEMENT	9 (64%)	55 (91.7%)	64 (86.5%)
TOTAL	**60**	**14**	**74**

Of the 14 districts in Florida, five submitted acceptable proposals to the Florida DOE when the programme was implemented in 2006-2007. Of these five districts, only two were still participating in the 2010-2011 school year, and one did not implement its plan after submitting its proposal in 2006-2007. The remaining nine districts have never participated. In order to represent the range of participation outcomes, three districts were selected using purposive random sampling—one that was a 'full participant', one that eventually terminated participation, and one district that never participated. Districts were categorised, numbered, and selected using a random number generator.

Because of the potentially sensitive nature of local politics, the confidentiality of research participants was protected by not disclosing the names of interviewees[195] or their districts. Districts are referenced using the codes outlined in Table 8.3.

[195] For a code of interviewees by district and role, see Appendix V.

TABLE 8.3: District Codes

DISTRICT CODE	***STATE***	***PARTICIPATION STATUS***
DISTRICT 1.FL	Florida	Participating
DISTRICT 2.FL *DISTRICT.2FL* *DISTRICT.2FL(2009)*	Florida	Discontinued Participation *Participating* *Non-participating*
DISTRICT 3.FL	Florida	Non-participant
DISTRICT 4.TX	Texas	Participating
DISTRICT 5.TX	Texas	Participating
DISTRICT 6.TX *DISTRICT.6TX* *DISTRICT.6TX(2009)*	Texas	Non-participant* *Non-participant* *Opt-in Decision (DATE II)*

Unlike the international cases, which were selected from a sample of 'cell 4' cases for their theoretical significance, the purposive sample of school district cases reflects the 'universe' of types of cases according to the variables identified in Table 4.1 (and replicated below). Though the first phase of research selected on the dependent variable (PRP implementation) in order to focus on crucial cases (as outlined in Section 4.4.1), in the second phase, including cases from cells 1 and 2 (Table 8.4) was essential in order to apply the congruence method (George & Bennett, 2005). The diversity of these cases allows the researcher to test and probe the theoretical generalisations proposed in Chapter 7 from several angles, subjecting the assumptions to a series of counterfactuals.

TABLE 8.4 The Universe of Cases and Their Types

(1) WEAK UNION + NO PRP [**District.6TX***]	(3) WEAK UNION + PRP [**District.4TX, District.5TX**]
(2) STRONG UNION + NO PRP [**District.3FL**]	(4) STRONG UNION + PRP [**District.1FL, District.2FL***]

**This classification is based on the initial response of these districts (see Table 8.3)*

First, District.1FL and District.2FL most closely resemble the crucial cases investigated in Chapters 5 and 6, providing a test of the hypotheses for 'why PRP reform' occurs. They could strengthen existing theories or, if they cannot be explained by existing theories, then new causal pathways could be uncovered through inductive process-tracing. This would contribute to a more fine-grained contingent generalisation, suggesting that though the causal pathways identified in Chapter 7 might be sufficient conditions for reform, they are not necessary. Second, District.3FL provides an opportunity to consider 'why PRP *does not* occur' and to test the necessity and sufficiency of the causal pathways. If either of the causal pathways are evident District.3FL and do not produce reform, the causal sufficiency of these pathways would be undermined.

Finally 'cell 1' (District.6TX) and 'cell 2' (District.4TX, District.5TX) provide an opportunity to explore the incidence of reform in contexts in which unions—according to all interviewees—were largely irrelevant. These cases illustrate the non-union factors that may influence reform outcomes.

8.2.2 Data Collection and Analysis

After districts had been selected, key stakeholders were identified using district websites and newspaper archives[196]. The goal was to conduct semi-structured interviews with all key stakeholders in order to capture the reform process as comprehensively as possible. Initially, key stakeholders—who were identified as the superintendent, school board members[197], and the union leader—were identified and contacted regarding their willingness to be interviewed. In some districts, it was not possible to talk to the identified key stakeholder, in which case a 'functional equivalent'[198] was sought.[199] In some districts, interviewees referred the researcher to other individuals and sometimes other stakeholders who they identified as key to the reform process. As a result, the number of interviews completed in each district varied.

[196] Newspapers and websites are not cited in order to protect district and interviewee confidentiality. However, any information gained through a secondary source and used in this thesis was confirmed through interviews.

[197] The goal was to talk with two school board members in order to attempt to capture the potential diversity of the board. In one district, District.2FL, it was only possible to interview one board member (See Appendix V.ii), and in District.6TX, the researcher was asked to not interview board members (see Appendix V.vi). In all other districts, the two board members were selected in an attempt to maximise the diversity of the interviewees.

[198] For example, though the union leader may have been unavailable, a senior staff-member may have been interviewed. Or, if the superintendent was unavailable or unwilling to be interviewed, a key—and often referred—central office staff-member with relevant experience and insight was interviewed.

[199] For a detailed description of interviewees by district, see Appendix V.

Interviews were conducted over the phone from November 2010 to April 2011. The interviews were recorded and transcribed and follow-up, when required, occurred in the form of brief e-mail surveys tailored to each interviewee. In a few cases, stakeholders were unwilling to participate in a phone interview, but provided written responses to a set of questions. The record of stakeholder interviews completed and attempted, as well as the codes used to protect the identity of interviews, is available in Appendix V.

The semi-structured interviews included background questions about the stakeholder, his or her position on PRP—including goals and reservations—as well as general questions about the superintendent, school board, union, any other key stakeholders, and the dynamics between each group/stakeholder. Then questions focused on the decision-making process that was followed—including inception, plan design, plan negotiation, and implementation—or that eventually resulted in the district's non-participation. Though the content of the questions was generally similar across districts, interview schedules were tailored to the specific processes within each district. Though these interviews were conducted before the international studies (Chapter 5 and 6) and were not guided explicitly by the ACI framework, a review of the semi-structured interview schedules confirms that the questions probe sufficiently similar themes to enable analysis within the ACI framework. The interview schedule for the U.S. interviews, including links to the ACI framework, is provided in Appendix VI.

In total, 27 individuals were either interviewed or provided written correspondence. Though other sources—board minutes, district websites, and newspaper articles—were consulted and were often used to provide background information that informed interviews, interview transcripts and written correspondence formed the core of analysed data.

Data analysis largely mirrored the approach to within-site analysis described in Section 4.5.5c. Complete case chronologies had been completed as part of the previous study (Whorton, 2011). These chronologies, along with the raw data[200], provided the foundation for the within-site analysis. First, chronologies and interview transcripts were read multiple times, and chronologies were checked for accuracy and completion. Then, interview transcripts were coded and organised using a similar system and set of codes as applied in the international cases.

The comparative analysis proceeded through a series of stages, as reflected in the organisation of Section 8.4. First, the typological theory was applied to the participating districts in Florida. Then, it was expanded to include the non-participating Florida case. The final stage of comparative analysis was to examine the 'weak union' cases. Throughout the analysis, the focus was on the degree to which actors' preferences, power, and relationship patterns could explain the reform outcome. In order to maximise comparability between all of the case studies, the tables and figures employed in the analysis are modelled off of those used in Chapters 5 and 6 as much as possible.

8.3 Contextual Conditions

The analysis in Section 8.4 focuses on testing the hypotheses developed in Chapter 7—that actors' interactions and their complex and competing preferences are the proximate causes of policy outcomes. However, though actors' preferences and interactions are hypothesised as the most significant causal factor, other factors and conditions, including institutions, economic context, and shifts in popular opinion and beliefs, are not irrelevant. On the contrary, the understanding of the interrelationship between these causal forces articulated in Chapter 7 (and represented in Figure 7.1), confirms the relevance of these other factors; but it argues that their importance is expressed and reflected *through* actors' preferences and interactions. The economic context, dominant reform ideas, and institutional context constrain and enable both policy-makers' ability to advance reform and unions' ability to resist it.

[200] All interviews had been recorded and transcribed

Section 8.3.1 overviews the relevant institutional context of school district governance in the United States; Section 8.3.2 summarises the policy context—the growing momentum behind PRP reform in the US—within which the investigated reforms occurred; and Section 8.3.3 highlights salient dimensions of the economic environment. These conditions and contexts should not and cannot be ignored as they inform actors' preferences and strategies. However, as Section 8.3.1 makes clear, these factors are largely controlled by case selection and research design.

8.3.1 Institutional Context: The School District

While school districts have become a fixture in the landscape of U.S. education policy, a thorough description of this local jurisdiction is required in order to avoid an errant conceptualisation as a stand-in for the most decentralised agency in a fundamentally different governance structure. School districts are notably different from what might be assumed to be functional equivalents in "centralised national educational systems, where districts and schools often function as simple subordinate units in sovereign national bureaucracy" (Meyer, Scott, & Strang, 1987, p. 186). They are also distinct from local units in relatively decentralised systems.

Unlike the local education authorities in many other educational systems, U.S. school districts are responsible for managing the growth of schools through the administration of funds, a significant portion of which are raised at the local level through local property taxes (Ehrensal & First, 2008; Berkman & Plutzer, 2005). School districts are also involved in policy, either through the initiation of policy or the interpretation and implementation of state-mandated policy (Sykes, O'Day, & Ford, 2009; Ehrensal & First, 2008).

The governing authority of the local policy-making process within these school districts is an elected[201] school board working with a board-appointed superintendent. According to Ehrensal

[201] More specifically, the majority of school boards are elected. There are some school boards that are appointed, and some districts that are under mayoral control (which will be discussed further). But even appointed school board members are viewed as "responsible to their communities or section of the city" (Ehrensal & First, 2008, p. 73).

and First (2008), these school boards have the delegated authority of all three branches of government, authority that legally is state power. Thus, school board members are said to be state representatives and are charged with ensuring that state policies are carried out at the local level. However, the local boards *do* have real powers, within state and federal statutes—like hiring, firing, and decisions about curriculum. And, because they are elected by their local constituencies and are thus accountable to voters, school boards are often responding to the directives of higher governmental authority *and* demands of the local electorate. As a result, the degree to which they comply with state policies completely and within the spirit of said policies is variable (Ehrensal & First, 2008, p. 78). A final distinguishing feature—particularly in international context—is that school boards are usually an independent governing body, distinct from any other elected city governments. This is a salient distinction relative to Finland and Switzerland where regional and local governments also have considerable authority. However, in those cases, local authority over schools ultimately rests in the elected cantonal (Switzerland) and municipal (Finland) governments which are tasked with the provision of *all* public services in their domain. In contrast, in the U.S., school districts and school board politics are one-issue political domains (see Section 7.2.1c).

The particularities of local governance—the relative authority of elected school boards and hired superintendents—vary across districts. However, in terms of defining key institutional differences, one of the most notable differences across school districts, controlling for the impact of size and available resources, is in the degree of inclusion of teachers' unions in local negotiations and decision-making, as discussed in Section 4.4.1a. This is the one significant difference between Texas and Florida districts discussed as part of the analysis in Section 8.4.1.

8.3.2 Policy Context: Compensation Reform

The widespread use of the single-salary schedule throughout the US, like the compensation structures in Finland and Zürich, is rooted in the historical development of the teaching profession, a history that preceded teachers' unionism. Though now widely criticised as inefficient, the single-salary schedule was a reform in the 1920s that targeted inequity and discrimination—lower salaries for women and black teachers (Odden & Kelley, 2002; Johnson & Donaldson, 2006). Though PRP reforms are certainly not new[202], there was a resurgence of political enthusiasm for teachers' compensation reform in the United States in the first decade of the 21st century.

Despite widespread criticism of previous 'merit pay' reforms (Murnane & Cohen, 1986; Odden & Kelly, 2002; Podgursky & Springer, 2007), PRP re-emerged in the first decade of the 21st century. The Denver Public School District's ProComp programme, which teachers voted to support by a three to two margin and the public voted to finance in a referendum in 2005, has been identified as 'opening the flood-gates' for compensation reform (Outside_Agency.1FL[203]). Though unique for its comprehensiveness, ProComp is only one example of the proliferation of PRP across the country (Johnson & Papay, 2009). In 2006, the Department of Education announced a new grant, the Teacher Incentive Fund (TIF), which committed millions of federal dollars to supporting "performance-based teacher and principal compensation systems in high-need schools" (U.S. Department of Education, 2009, n.p.). It identifies the traditional 'lock-step' salary schedules as a problem:

> Under compensation systems in place in virtually all school districts, teacher salaries increase based on teachers collecting graduate credit for additional study, increasing number of years on the job, or moving out of the classroom into an administrative position. Such pay systems fail to take into account classroom effectiveness, the challenges that teachers face to accelerate student learning in high-poverty schools, and the shortages in

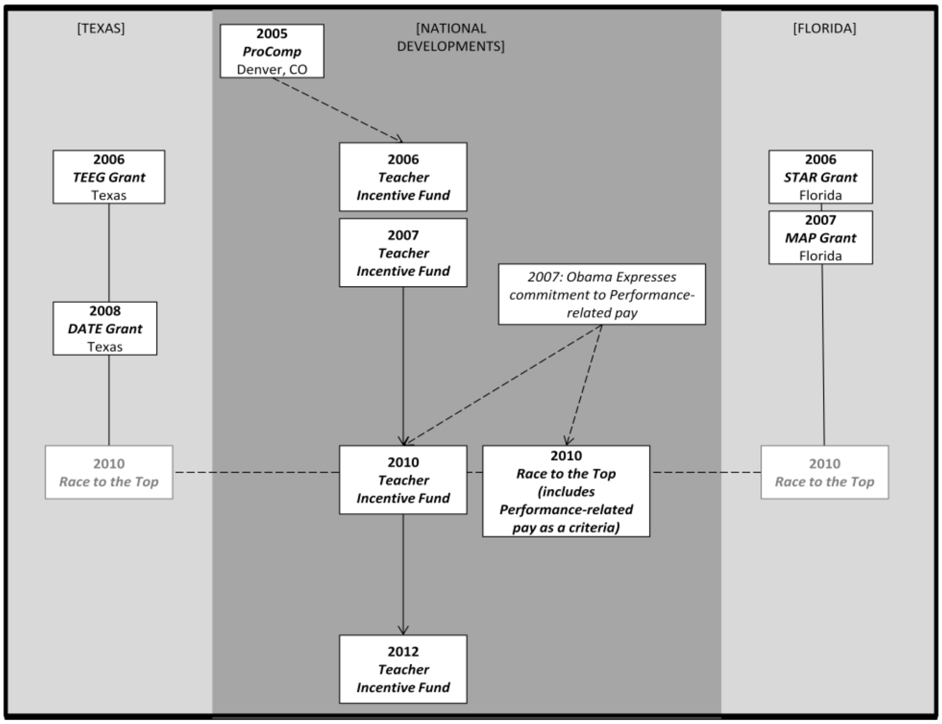
[202] There were three waves of PRP reforms preceding the 21st century iteration—in the early 1900s', the in 1960s, and in the 1980s (Johnson & Papay, 2009)
[203] Outside_Agency.1FL was the technical assistance provider to Denver in the design of ProComp and also helped Barack Obama with his speech supporting PRP in 2007. For complete interviewee codes, see Appendix V.

> those schools of instructors who teach hard-to-staff subjects like math, science, special education, and English as a second language. (U.S. Department of Education, 2009)

The solution to this problem, according to the TIF, was to develop differentiated approaches to compensation that are based on "student achievement gains" and classroom evaluations (U.S. Department of Education, 2009). By the time MAP had been implemented in Florida and DATE in Texas in 2007 and 2008 respectively, the Department of Education had already distributed $99 million in 34 grants. The American Recovery and Reinvestment Act of 2009 gave Obama and the Department of Education the opportunity to realise their commitment to PRP (see Figure 8.5), expanding the TIF to provide $437 million to 62 grantees (U.S. Department of Education, 2010b). In addition to TIF grants, PRP systems were also incorporated as one of the criteria in the $4.35 billion Race to the Top competition (U.S. Department of Education, 2010a).

These developments are significant for two reasons. First, even though the reforms investigated in this research focus on state and local policy in Texas and Florida from 2006-2008, the national developments that preceded and followed these reforms played into how decision-makers thought about the reforms at the that time *and* to how they think about, explain, and justify their actions retrospectively. Figure 8.5 provides a timeline of national developments presented alongside the key events investigated in Texas and Florida. Many interviewees across districts referenced reforms that were occurring in neighbouring districts and on the national stage. Their knowledge and perception of those reforms shaped the way they thought about the process in their district. In both Texas and Florida, there were large urban districts who received TIF grants in the 2007 cycles and the experience of these districts—including public controversies that played out in the media—shaped the perceptions and preferences of local decision-makers in the selected districts (Central_Office.5TX). Furthermore, because interviews were conducted from 2010-2011, the interviewees experiences with the Race to the Top process provided a lens from which they talked about the experiences of attempting to negotiate and develop DATE or MAP programmes.

FIGURE 8.5: Multiple Timelines



The second reason why these national developments—including their post-DATE/MAP developments—are relevant is because they are indicative of the broader momentum that has built around PRP efforts and reforms. According to Outside_Agency.1FL:

> From the, the first time that the issue [arose in District.1FL around 2005] to today, what's really changed is the national discourse around, one, teacher compensation, and two, teacher evaluation. You now have compensation reform, particularly performance-based compensation has long been a classic case of "it's amazing the conclusions you draw if you don't bother to let the facts get in the way". So, some people support it for the wrong reasons, because it's a way to beat up teachers and get rid of bad teachers, and some people don't support it for the wrong reasons, because they don't want to see any link between compensation and the mission of the

> organisation—which is student learning. But I think that the nation has grown a great deal and this is now a part of the lexicon of the school reform discussion (as evidenced by the bi-partisan support for performance-related pay and the TIF).

He contrasted the rapid change that occurred between 2005 and 2010, saying that:

> Five years ago, if a superintendent were to say…I think we may need to make changes in how we're compensating teachers. There are very few superintendents who were willing to be out front on that issue because they would have been punished for taking a stance like that…[Researcher: By the unions?] By the unions, likely by the school board, maybe even by the broader community. In other words, you didn't have a large constituency organised in support of that kind of direction. (Outside_Agency.1FL)

So, the state-level reforms which occurred between 2005 and 2010 occurred in the midst of this shift and transition. This state of change and transition which was playing out both nationally as well as at state and local levels is certainly a part of the story of reform. It helps to explain why these policies emerged at this time and why they were politically feasible in 2010-2011 when they might not have been a few years before.

8.3.3 Economic Context

If a financial dimension were added to Figure 8.5, there would be one key event—the 2008 subprime mortgage crisis and the unfolding financial crisis. At the time of interviews (2010-2011), both states and all of the selected districts were in a state of financial crisis—a theme echoed by almost every interviewee. Though financial difficulties were leading to widespread concern that the state grants would disappear in the face of growing budget deficits and pressures to cut at the state level in 2010, both grants had been implemented in a time of relative prosperity. According to Superintendent.1FL, from 2005-2007 the "economy wasn't a problem and budget dollars weren't a problem”. Similarly, the Human Resources Director of District.2FL identified the period through 2006 as one of rapid growth—followed by a period of incredible decline (Central_Office.2FL).

So, though the researcher must remain sensitive to the fact that though the dire post-2008 economic conditions likely inform the thinking of interviewees, the financial conditions during the reform periods were fairly typical—or at least not particularly dire. Thus, though financial considerations play an important role in the policy-making process, as teachers’ and their unions will always be invested in improving their salaries and working conditions and districts will be attempting to maximise the efficiency of the spending of limited resources, the economic conditions at the time the reforms were implemented differed markedly from those post-recession.

8.3.4 Conclusion

Ultimately, these conditions are somewhat controlled. All districts operated under similar policy contexts—environments in which PRP reforms were gaining momentum and popularity. Also, all districts were responding to state legislation, which some would characterise as activist or over-stepping state authority, that incentivised without mandating PRP. And all districts were operating in similar pre-recession financial environments. Though the particularities of their financial management, tax bases, and budgetary priorities varied, due to the pseudo-experimental design, there was no systematic variation in districts’ economic prospects.

Thus, all districts were acting under fairly similar sets of conditions: they were all faced with similar economic contexts and activist state legislation that was attempting to steer local decision-making. Though these conditions were relevant to the policy story in each district and were a part of the unions’ calculation of their preferences and strategies, these conditions cannot explain differences across cases.

8.4 Analysis: Congruence Tests

Section 8.2.1 described the case selection strategy, emphasizing the importance of selecting from the 'universe' of cases—strong and weak unions and presence and absence of PRP. This sample diversity allows the analysis to focus on a series of tests. First, in Section 8.4.2, the findings outlined in Chapter 7 are tested in the two 'cell four' cases in the U.S. context—District.1FL and District.2FL. If the thesis of Chapter 7—that actors' preferences and their interaction orientations or relationship patterns—are the proximate predictor of the policy-making outcome as operationalised in the typological theory, then these cases will further confirm these findings. Both cases mirror the findings of the international cases: in both school district cases unions' acceptance of reform can be explained by their competing preferences and by relational patterns. In particular, the cooperative compromise pathway is evident in both cases.

Second, District 3.FL provides a valuable counterfactual case to test the correlations observed between District.1FL, District.2FL, Finland, and Zürich (Section 8.4.3). If similar preferences and relationship patterns were evident but did *not* result in reform, such findings would cast doubt on the emerging hypothesis, suggesting that unions' preferences and relationship patterns are not sufficient conditions for reform in the presence of a strong union. However, District.3FL does not contradict the findings—it strengthens them. Relationships in District.3FL were fraught with conflict—both between the union and the superintendent as well as between the superintendent and the school board. The conflict with the union removed the superintendent's ability to get the union to agree to reform on the basis of trust and preserving a collaborative relationship. In addition to exacerbating the conflict between the superintendent and union, the internal conflict between the school board and superintendent eliminated both paths for reform—winning over the opposition or overpowering them.

Finally, the Texas cases provide an opportunity to explore the incidence of reform in contexts in which unions, according to all interviewees, were largely irrelevant. Notably, despite union weakness in Texas, there were still several districts that did not participate. This suggests that there are non-union reasons why reform may not occur. Though the questions—when do such results (PRP) occur? And why don't they always?—are particularly focused on the union's role in those outcomes, the Texas cases provide an opportunity to run a union counter-factual (Section 8.4.4).

Before turning to these tests, Section 8.4.1 focuses on key differences between Florida and Texas districts. First, it establishes that union strength and influence is notably different between the two contexts, confirming the salience of 'strong' (Florida) and 'weak' (Texas) union classifications. Then, it provides an overview of some governance differences—the relationship between superintendent and school board authority—which are relevant for understanding the decision-making landscape across districts.

8.4.1 Union Strength Differences?

As outlined in Chapter 4, the nature of teachers' unionism in the United States varies from state to state, and state rather than federal law determines collective bargaining and other aspects of union organisation. In 2010, when data was collected, Texas was amongst the seven states which prohibited collective bargaining in the public sector (Type IV). Florida, in contrast, allows collective bargaining, but prohibits agency fees (Type II, see Tables 4.2 and 4.3). These differences would be expected to be correlated with the degree of union organisation and its strength or influence. Table 4.3 confirms significant differences in union density between Type II and Type IV states. However, across the state of Florida, 61% of teachers are union members (Table 4.5) and 65% of teachers are unionised in Texas (Figure 4.7).

Do these similar density levels suggest that unions in Texas are about as strong as unions in Florida—particularly in terms of the cases investigated in this dissertation? Several pieces of evidence suggest this is not the case. First, the state-level trends do not reflect the particularities of local unionism in the selected cases. Unions in the selected Texas districts had membership rolls numbered in the 100s—750 in District.4TX and approximately 350 in District.6TX—compared to 8,000[204] union members in District.3FL and 5,500[205] members in District.1FL[206]. A likely hypothesis for the divergence between state-level representation and the district-level figures may be provided by significant regional differences in union organisation: A union leader in District.6TX suggested that unions in southern Texas have experienced significant growth, which has not occurred in the north where District.6TX is located (Union_Leader.6TX). Similarly, there may be important differences between large cities in Florida and other districts. However, providing an explanation for these disparities is beyond the scope of this research. The key point is that there are clear differences in union strength resources between the selected districts in Florida and their counterparts in Texas.

The difference in union influence, though suggested by membership levels, extends beyond these figures. School district officials and school board members across all three Texas districts unanimously confirmed the relative weakness of teachers' unions:

> They are really supportive. They are very vocal…but they're, you know, this is Texas. And we're a right to work state and so they really have no…um…strength when it comes to negotiating contracts or anything. They're not involved in that. But, um, they talk to us all time. (School_Board1.4TX)

[204] Confirmed by an online news source (2008)
[205] Confirmed by an online news source (2009)
[206] Information on District.2FL was unavailable.

It is not a, it is not a union state; it's a right to work state…they do try to influence policy decisions…especially in areas of compensation or HR….they are usually not [successful]. (School_Board1.5TX).

No, no, we don't fear them at all. They cause us a little heartburn from time to time, but they certainly don't have enough leverage, at least my decisions. (Superintendent.6TX).

The characterisation of the unions' weakness in all three districts referred to both a general weakness as well as their particular inability to impact the DATE reform process. Institutionally, the union did not have the right to negotiate or bargaining about salaries which meant that, in contrast to Florida where negotiations with the union were the first step, the district decided to participate (or not) in DATE without any conversation or negotiation with the union. It seems that the Texas unions' best chance for influence was indirect—by influencing the constitution of the school board. However, even that did not appear to be a very successful avenue of influence. The superintendent in District.5TX contrasts the union's resources and success in elections with his experience of unions in Virginia and Michigan:

They [VA] had political action committees where they raised money and funded campaigns and they voted in school board members…and the union here would probably do that if they were strong enough—which they aren't—and if they were wealthy enough—which they aren't. They, they do their best to be contrarians but they just don't have the political clout that they did in Virginia. (Superintendent.5TX)

…they have a forum for political or school board candidates and they endorse certain ones. And of course, you can imagine, only the ones that curry favour do they endorse. But they have not been very successful in electing candidates. (Superintendent.5TX)

In summary, there was consensus from district leaders and school board members that unions in the selected Texas districts were weak—organisations that were trying, largely unsuccessfully, to influence policy outcomes in an institutional environment which stacked the deck against them. This perspective was only confirmed by union leaders in each district:

> In District.5TX we have a very entrenched anti-union political establishment that has only reinforced here the tendency of most school districts to attempt to control the educational environment with little collegial participation of the educators themselves. Therefore, even on issues of utmost importance like lay-offs, bond referendums, or wages the district refuses to talk, let alone negotiate with the union/s. (Union_Leader.5TX)

> The school board…appears afraid to rock the boat, but they have usually been friendly enough. I wish they would seek our input more, but they appear to be "afraid" to talk to me too much. We have supported three of the elected Board members, and they do appreciate us, but they certainly don't want us to have much power. After all, Texas is not a collective bargaining state. They like the "at will" designation. (Union_Leader2.4TX)

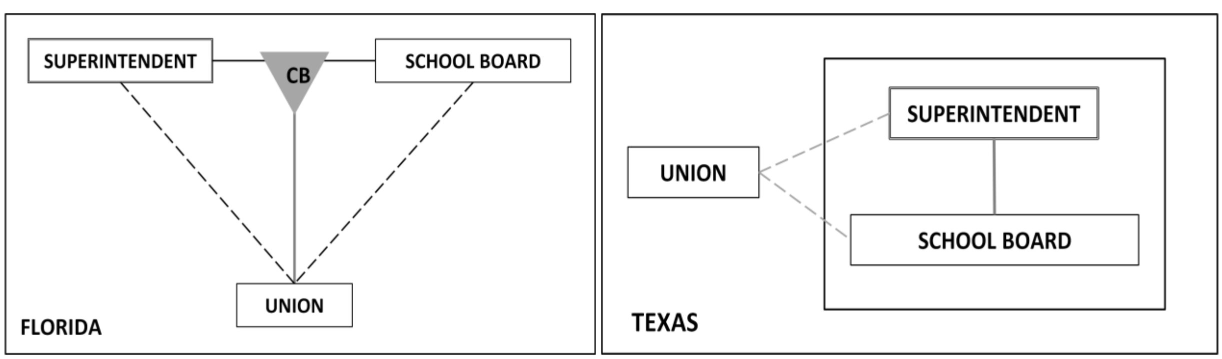
What emerges from the case studies is a contrasting picture of school district governance in Texas and Florida, including the role of the union in that governance process. In terms of the union role, the unions have limited avenues for participation or influence in Texas; in Florida, unions are systematically included via collective bargaining. There were other notable governance differences between the selected Florida and Texas districts that may be partly, but not entirely, attributed to union differences.

In general, though the superintendent and her central office staff are responsible for producing research, making recommendations, and shaping the agenda, the power of the superintendent relative to the board varies (Wirt & Kirst, 1997, p. 151). The degree to which the superintendent is able to affect or determine the board's decisions and the amount of oversight of the superintendent's activity varies across school boards (Wirt & Kirst, 1997, p. 151). However, the school board functions as "a pivot between community demands and school operations" (Wirt & Kirst, 1997, p. 100), and the superintendent is constrained by public demands and resulting board opinions:

> They must anticipate reactions of board members to their actions because the board does have the basic power to fire them…The superintendent operates within considerable latitude as long as he or she stays within the board's ideological zone of tolerance. (Wirt & Kirst, 1997, p. 151-152)

Thus, it seems that the division of responsibilities between boards and superintendents is a constantly constructed, rather than self-evident, arrangement. The relationship between the superintendent and the school board can—as evidenced by several of the cases that experienced superintendent or board turn-over during the period in question—vary over time within a district. However, Figure 8.6 provides a picture of the general patterns observed in each state.

FIGURE 8.6: School District Governance in Florida and Texas



The different visual displays of the Superintendent-School Board relationship between the two states in Figure 8.6 are not accidental. Across districts, many interviewees talked about the importance of effective school board governance—of a board that was appropriately engaged without being 'managerial'.

Though interviewees in Texas occasionally referenced board-superintendent dynamics, they were typically positive references. The picture that consistently emerged from Texas school districts was captured by one interviewee who referred to a corporate governance model with a strong executive and a hands-off board (Superintendent.5TX). All three superintendents had significant decision-making authority; their (non-) participation in the DATE grant was an executive decision that was merely presented to the board for approval (Central_Office.5TX,; School_Board1.5TX; School_Board2.5TX; Superintendent.4TX) .

Based on interviewees' descriptions, school boards in selected Florida districts appeared to have relatively greater power, influence, and involvement in decision-making. At times, superintendents felt that they could not pursue their objectives or preferences due to school board opposition (Superintendent.3FL; Superintendent.1FL). This was particularly important in terms of union participation and influence as the 'governance triangle' depicted in Figure 8.6 provides a variety of possible relational alliances. Florida and Texas, given their marked differences, provide fertile soil for testing theories about union power and impact on reforms.

8.4.2 'Cell Four' Cases: Strong Unions with PRP

First the hypotheses developed in Chapter 7 is tested on other crucial cases (cell 4), where PRP reform occurred in spite of strong unions. District.1FL and District.2FL provide opportunities for testing the salience of the identified causal pathways. In both District.1FL and District.2FL, cooperative union-district relationships were significant, confirming the salience of the 'cooperative compromise' causal pathway in the U.S. context. Though the union in both districts opposed PRP, in terms of its first-order preferences, a stable and trust-based relationship with the district made MAP participation possible. Figures 8.7 and 8.8 present the reform timelines in District.1FL and District.2FL. In these figures, grey boxes represent state legislation and white boxes represent district-level actions. Boxes reflecting stakeholder opposition or support—from the central administration, school board, or teachers and unions—are colour-coded: green indicates acceptance, red indicates opposition, and brown signals 'grudging acceptance'. 'Grudging acceptance' reflects an agreement with previous decisions in spite of dissenting views. When key preferences or perceptions are significant for understanding the decision-making process, they are indicated to the left or right of the decision box.

Both districts opted to participate in the STAR programme in 2006. Each district had some experience with PRP prior to the STAR grant. However, both district-initiated grants were based primarily on a portfolio of teachers' work and neither programme was compliant with the state requirements. So, both had to develop a new plan. In District.1FL, though the administration and teachers' union agreed to participate in the STAR programme, both had reservations about the programme. Similarly, the school board expressed significant opposition to the state system. They filed a formal complaint with the timeline and requirements of the STAR programme, but grudgingly decided to participate in order to obtain the significant monies attached to the grant. When, STAR was replaced with MAP in 2007, District.1FL updated its system to comply with the new requirements.

FIGURE 8.7: District.1FL Timeline

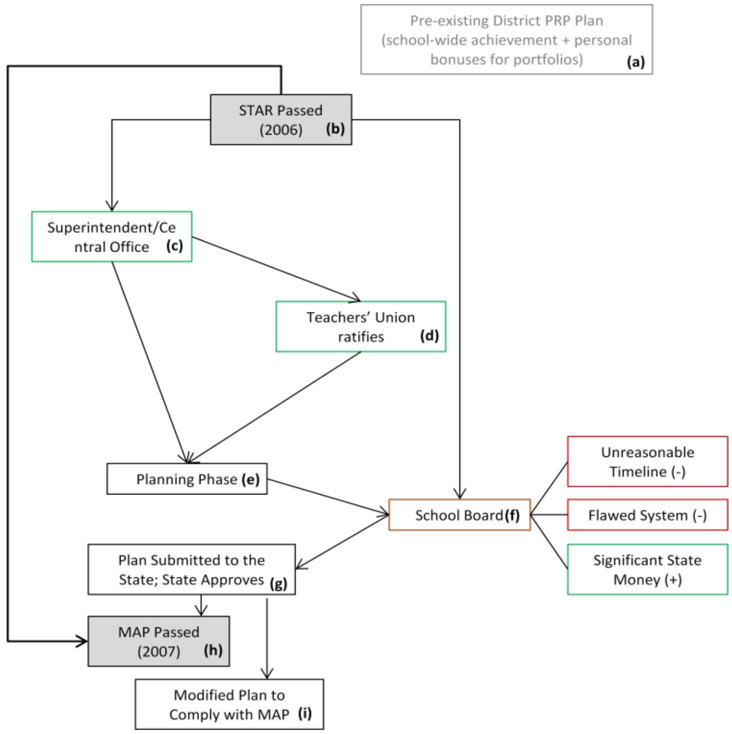
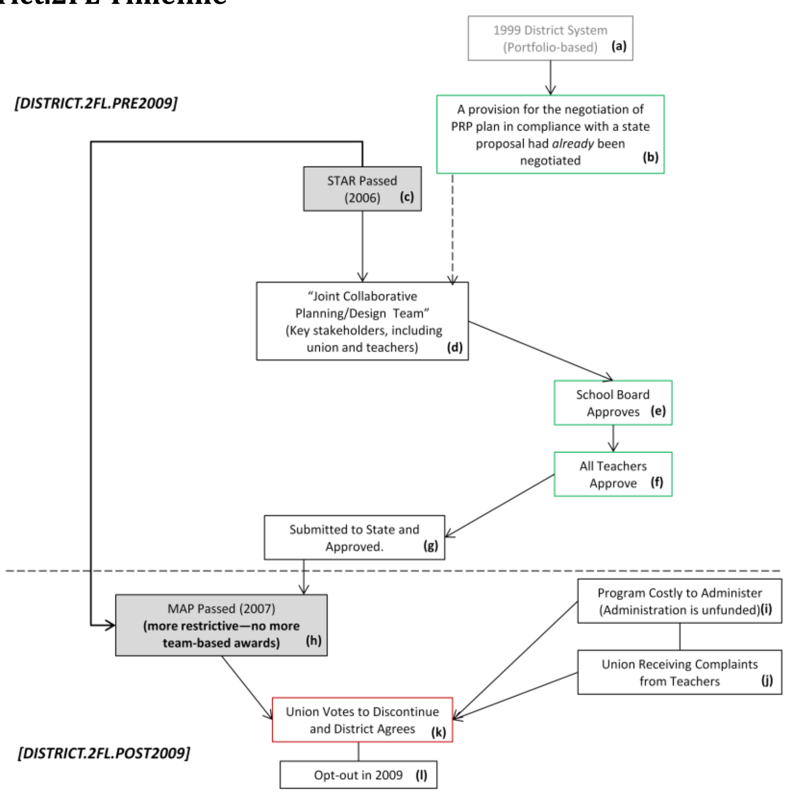


FIGURE 8.8: District.2FL Timeline



In District.2FL, the administration and local union had already negotiated a provision whereby the district could design a PRP plan prior to STAR's passage in 2006. As a result, participation did not have to be negotiated, and the responsibility for designing a plan that would comply with state requirements was passed to a joint collaborative team of key-stakeholders, including union representatives. Like District.1FL, when MAP replaced STAR in 2007, District.2FL updated its plan. This section only focuses on District.2FL's decision to participate in STAR and MAP (District.2FL.PRE2009); its decision to opt-out of the MAP programme in 2009 is addressed in Section 8.4.5.

Though Figures 8.7 and 8.8 display the key decisions and processes that led to District.1FL's and District.2FL's participation in PRP, they obscure the complex calculations that led to those decisions. Though teachers' unions in both districts agreed to participate in the state grants, both unions, in terms of their first-order preferences, were opposed to PRP. This section describes the teachers' unions' opposition and the relational patterns that made compromise possible.

In terms of the preferences of teachers' unions, both District.1FL and District.2FL appear to mirror the preferences of unions in Finland and Zürich. First, unions were generally opposed to PRP. According to an outside consultant who had worked with District.1FL on developing PRP as well as a variety of other reforms:

> The teachers union in District.1FL has very strong leadership. And, it didn't want to do anything that was close to merit pay in the past. (Outside_Agency.1FL)

The teachers' unions' opposition to PRP was rooted in a similar set of concerns about producing competitiveness instead of collaboration, the perceived ineffectiveness of 'incentives' on teachers' motivation, and challenges of measurability and fairness.

Bottom line is that well, it's ineffectual. (The assumption is) that merit pay will somehow motivate teachers to work harder and do more for their students and that's just not what we've ever seen…I think the key flaw was the misconception that teachers would be motivated to work harder because of merit pay in order to receive (additional compensation)…I've seen enough incarnations of bonus pay systems that I've yet to see one system or even conceive of a system that would really be effective. (Union_Leader.2FL)

Tables 8.9 and 8.10 display the teachers' unions' reported perceptions of PRP, and reasons for opposing it. If unions in Florida are as strong and influential as interviewees would suggest (Section 8.4.1), how can the implementation of these reforms be explained given the teachers' unions' opposition to PRP? In particular, can the complexity of teachers' unions' interests and their relationship pattern explain the successful reforms?

TABLE 8.9: DISTRICT.1FL Union Perceptions and Preferences

	CONCERNS				**AIMS**		
	Competitive	*Incentive*	*Measurability*	*Fairness*	*Recruit/ Retain*	*Reward Performance*	*Increase Pay*
Superintendent.1FL	X	X	X	--	"could be used as a valuable tool"		
Central_Office.1FL	--	--	X	X	--	--	--

TABLE 8.10: DISTRICT.2FL Union Perceptions and Preferences

	CONCERNS				**AIMS**		
	Competitive	*Incentive*	*Measurability*	*Fairness*	*Recruit/ Retain*	*Reward Performance*	*Increase Pay*
Superintendent.2FL	X	X	--	X	--	--	Y
Union_Leader.2FL	X	X	X	X	--	--	Y

Both District.1FL and District.2FL are cases where the union accepted something that it did not prefer in order to get something that it wanted more—additional compensation. Union_Leader.2FL makes the interest calculation explicit. In spite of the union's strong opposition to PRP on the basis of its effectiveness, measurability, and fairness:

> Our logic was simple. If they are going to give us 4 million dollars, and it is kind of going in the pockets of teachers, we are going to go ahead and accept it. And we did. (Union_Leader.2FL)

It is clear that money was relevant to the decision to participate in both District.1FL and District.2FL[207]. However, though the financial inducement was a part of their calculation, money alone cannot explain reform outcomes. The same financial opportunity did not convince District.3FL—or the 64 other non-participating districts in Florida—to participate. Clearly, money alone cannot buy reform. At best, it provides a necessary but insufficient condition for PRP reform. So what made reform possible in these districts? How were they able to overcome union opposition?

The international cases suggested two possible causal pathways through which unions' interest calculations may be influenced. First, the case of Zürich suggested that the union may 'accept' a trade-off when it has been outmanoeuvred or 'overpowered': when it can no longer block the policy, it may accept it in order to maximise pay-offs or to save face. However, the Finnish case suggests that trade-offs or compromise may be encouraged by a cooperative relationship pattern. Given the potential long-term benefits to maintaining cooperation, the union's preference calculations and resulting strategies and tactics may be influenced by their desire to preserve the cooperative pattern. Were the unions overpowered in District.1FL and District.2FL, or did they cooperate?

Both districts express a clear cooperative relationship pattern. The responses of each interview in District.1FL and District.2FL coded according to Walton and McKersie's relationship patterns are displayed in Figure 8.11 and Figure 8.12 respectively.

[207] And also in the Texas districts, as explored later

TABLE 8.11: DISTRICT.1FL Cooperative Relationship Pattern

		MOTIVATION ORIENTATION/ ACTION TENDENCY	BELIEFS ABOUT LEGITIMACY	FEELINGS OF TRUST	FEELINGS OF FRIENDLINESS
ADMINISTRATION	Superintendent1.1FL	*COOPERATIVE*	*LEGITIMACY*	*COMPLETE TRUST*	*FRIENDLINESS*
	Central_Office.1FL	*COOPERATIVE*	*N/A*	*TRUST*	*N/A*
SCHOOL BOARD	School_Board1.1FL	*COOPERATIVE*	*LEGITIMACY*	*TRUST*	*FRIENDLINESS*
	School_Board2.1FL	*COOPERATIVE*	*LEGITIMACY*	*LIMITED TRUST (VARIES FROM ISSUE TO ISSUE)*	*FRIENDLINESS*

TABLE 8.12: DISTRICT.2FL Cooperative Relationship Pattern

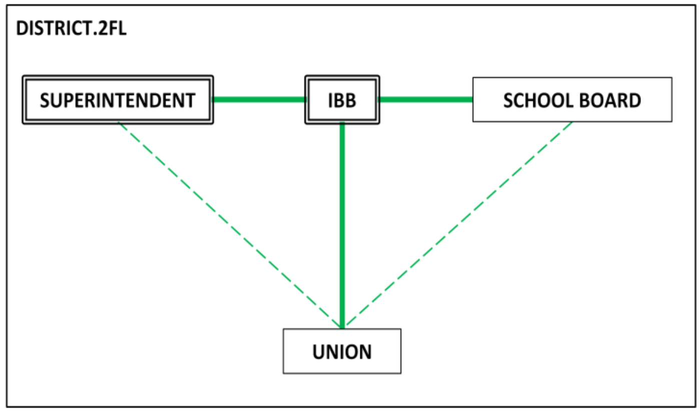
	MOTIVATION ORIENTATION/ACTION TENDENCY	BELIEFS ABOUT LEGITIMACY	FEELINGS OF TRUST	FEELINGS OF FRIENDLINESS
Central_Office.2FL	*COOPERATION*	*COMPLETE LEGITIMACY*	*TRUST*	*FRIENDLINESS*
School_Board1.2FL	*COOPERATION*	*COMPLETE LEGITIMACY*	*TRUST*	*N/A*
Union_Leader.2FL	*COOPERATION*	*COMPLETE LEGITIMACY*	*EXTENDED TRUST*	*N/A*

In both districts, unions were collaborative partners in both the decision to participate in the MAP programme as well as the design of the district plan. In District.2FL, interviewees traced the collaborative relationship back ten years to the establishment of interest-based bargaining in the late 1990s (Central_Office.2FL; Union_Leader.2FL). The trust and cooperation that is now standard operating practice in the district emerged from a complete breakdown of trust—a conflict-ridden negotiating impasse in 1999—which forced the district and union to develop a new strategy for working together. The interest-based bargaining (IBB) (Fisher & Ury, 1981), process which was established as a response to that impasse was identified as an improvement over traditional adversarial approaches and essential to the district's ability to participate in things like MAP:

> You have some people who say 'well, you're gonna give away the farm in interest-based bargaining.' No, you don't. It's the same. But you end up with really better agreements, longer-lasting agreements, agreements less likely to break down. And, you know, it's a more creative solution is what we found in ten years. It just gets, it typically just got better and better because you wind up, you get a lot of trust that develops between parties, so if you're going to do something crazy like, you know MAP (laugh), they are more likely to go along with you. Or if you say something about it, it's more likely to trust that what you're telling them is the truth because you've been transparent, the relationship is built on trust. (Central_Office.2FL)

Figure 8.13 provides a visual model for the relationships in District.2FL. Relationships identified as good, strong, or collaborative are green (strained relationships or those characterised by conflict will be red in subsequent diagrams). Heavier lines reflect stronger or more important ties in terms of influencing decision-making processes, and solid lines show direct or formal engagement while dashed lines reflect the union's indirect attempts at influence—through lobbying or persuasion of other stakeholders. The Superintendent in District.2FL was the key decision-maker (hence the double-lined box), and the importance of interest-based bargaining (IBB) was also highlighted by interviewees. District.2FL appears to be a district where all stakeholders are working relatively harmoniously together.

FIGURE 8.13: Relationships in the Governance Triangle in District.2FL



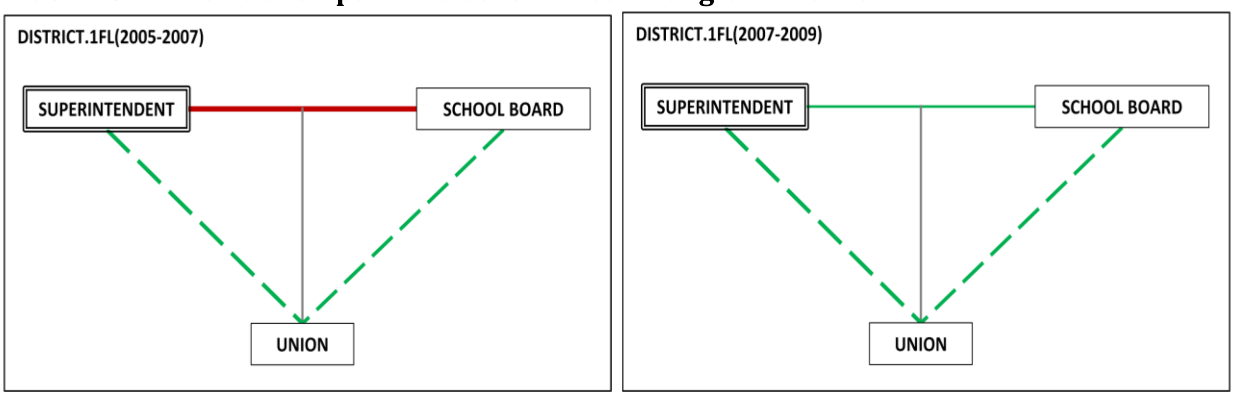
It might be easy to identify IBB as the essential characteristic that describes the harmonious relationships in District.2FL. However, an emergent theme across interviewees in District.2FL is the interplay between institutionalised structures (IBB) and personal relationships. The reinforcing nature of institutions and relationships is evident in one administrator's statement, but echoed across interviews—the repeated practice of IBB builds interpersonal resources that sustain it (Central_Office.2FL). The importance of the personal relationships was particularly clear with the union leader in District.2FL who expressed some uncertainty about how things might change with a leadership transition:

> We still have the same type of process and we feel like we have a good relationship with the people that are here right now, but with a new superintendent coming in and a new school board members taking over, we don't know where we are going to end up a year from now, you know? (Union_Leader.2FL)

This confirms—consistent with the international cases studies—that though institutions inform and influence interpersonal relationships, they are independent phenomenon and interpersonal relationships matter. Their importance is further confirmed by District.1FL where the MAP programme—and its predecessor, STAR—coincided with a period of leadership tumult. Due to political controversies and clashes[208] between the superintendent and the school board, the superintendent's leadership was short-lived; he left the district around 2007.

In many ways, despite leadership instability and a period of conflict between Superintendent1.1FL and the school board, the union leader in District.1FL appears to have been the stable factor in the otherwise unstable 'relationship triangle' between the superintendent, school board, and union.

FIGURE 8.14: Relationships in the Governance Triangle in District.1FL



In District.1FL, the union leader was identified as a key reason why the district was able to participate in the STAR programme in 2006 and then the MAP programme in 2007. One school board member said that the union leader has "gone out on a limb" (School_Board2.1FL), taking positions and making agreements in spite of opposition from the state teachers' union—for example with Race to the Top. Though school district leaders and school board members acknowledged that the potential for disagreement with the union, they consistently confirmed their confidence in its leader:

> …unions are, exist to, for adults. And, you know, the, the school district serves children. So, you automatically have the potential for conflict. Sometimes it does conflict. But a lot of times, when we align on, you know a topic, that…that we can agree on…we, you know our

[208] There was a controversy regarding a school board member who had allegedly falsified an address to run for office, among other issues (Superintendent1.1FL).

union boss, she's the same boss that's been there for years…she trusts that we have the best interests of students and teachers in mind. She does. And vice-versa…I mean we've had some knock-down, drag-out sort of arguments where we didn't agree on the approach, but, we did have on this topic, a…you know, full trust in each other. And when you have that, you can work together. (School_Board2.1FL)

I can't think of a conflict where we didn't always resolve it and always resolve it with kids and their education top of mind…and I think that has to do more with the character of the leadership of the union. And they're not all…poised with that kind of leadership, but this particular union was terrific in that regard. And I found them a great reform partner. (Superintendent1.1FL)

Furthermore, School_Board2.1FL, argues for the importance of choosing the collaborative path even when the 'power-over' path may be available—for example under the auspices of a state mandate:

…it would have been easy and I think a lot of districts did push a (Race to the Top) plan through against the union's will. Um, it would have been easy because we had the state mandate, just do it and you know collective bargaining…but we weren't willing to do that because we felt that the long-term relationship and ability to work together trumped you know, sort of the temporary power granted by the state mandate. (School_Board2.1FL)

The consistency of relationship patterns and union preferences across District.1FL and District.2FL provide compelling support for the 'cooperative compromise' pathway outlined in Chapter 7. But can the reform outcome of District.3FL be explained?

8.4.3 'Cell Two' Counterfactual: Strong Union, No PRP

District.3FL provides an excellent test to the claims developed in Section 8.4.2, as it is a negative case that is very similar to positive cases (Ragin, 2000). Like Districts.1FL and 2FL, the union in District.3FL was opposed to STAR and MAP. However, unlike these other districts, the opposition to state PRP plans could not be overcome—even though participation carried significant financial inducements. What can explain this different outcome?

FIGURE 8.15: District.3FL Timeline

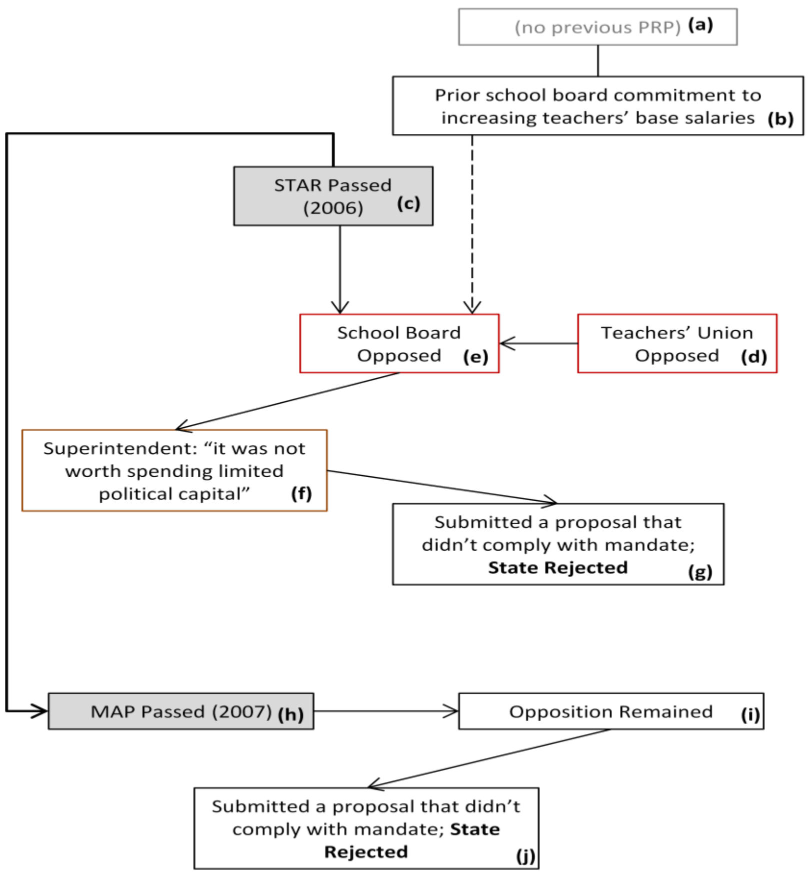


Figure 8.15 provides an overview of the process in District.3FL. Though the district submitted a few proposals in response to both STAR and MAP, according to district officials, none of these submissions were serious attempts to participate. The plans did not comply with state requirements and were rejected by the state. Can this outcome be explained by union opposition? Simply put, no. In terms of union preferences (Table 8.16), though the superintendent of

District.3FL described “no *open* opposition to performance-related pay”, other actors identified union resistance (Central_Office.3FL; School_Board1.3FL; School_Board2.3FL). According to one school board member, “They didn't want anything to do with it” (School_Board1.3FL). Though these union preferences are similar to those of District.1FL and District.2FL, unlike those districts, union opposition in District.3FL could not be overcome—why?

TABLE 8.16: District.3FL Union Preferences

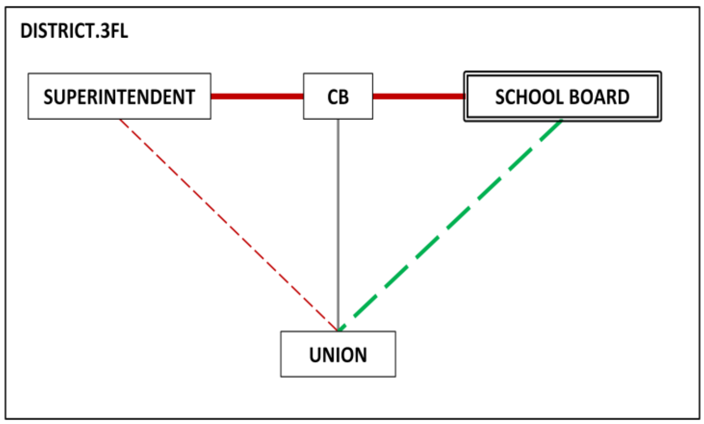
	CONCERNS				AIMS		
	Competitive	Incentive	Measurability	Fairness	Recruit/ Retain	Reward Performance	Increase Pay
Superintendent.3FL	(“no open opposition to performance-related pay”)						
Central_Office.3FL	X	--	--	X	--	--	Y*
School_Board 1.3FL	--	--	--	X	--	--	Y*

*Yes, teachers were interested in increasing their pay, but wanted overall raises.

Aside from the different outcome, several differences are immediately evident in Figure 8.15. First, District.3FL did not have any previous experience with PRP. Second, the sequence of decisions is reversed, with school board opposition driving the superintendents resigned decision to not seriously pursue PRP. The third difference is the location of the teachers’ union in Figure 8.15. The latter two differences are bi-products of the relationship patterns in District.3FL and the deep power struggles between the stakeholders.

Constructing a relationship pattern table, like those displayed for District.1FL (Table 8.11) and District.2FL (Table 8.12), was virtually impossible. It would have obscured more than it illuminated due to the complex relational dynamics of District.3FL. First, there were a number of time-specific relational cleavages that defied any kind of ‘pattern’ analysis—even if relationships were stable before and after the period in question, they were fraught with conflict and tensions during this period. Second, it was not possible to speak about a relational pattern between ‘the district’—the superintendent, the administration, and the school board—and the union, as intra-district relationships were splintered and defined by a power struggle between the school board and the superintendent. This power struggle (Figure 8.17) is crucial to understanding the most notable difference between District.3FL and participating districts.

FIGURE 8.17: Division in District.3FL (2006-2008)



Unlike District.2FL and District.1FL, where the Superintendent emerged as the key decision-maker in the district, the superintendent's leadership in District.3FL—both generally and on the particular issue of PRP—was rendered ineffective by internal dynamics and divisions. The comments of one school board member (School_Board2.3FL) are insightful into the board-superintendent relationship and are echoed by other board members (School_Board1.3FL; School_Board3.3FL).

> …he had some difficulties getting things done in the district…And the board…there were a couple board members who really opposed him, and I don't know why…the board did divide and there was, one or two that really made life miserable for him and probably for them too. I don't know. The personalities did not work well together…a lot of the personalities played into board dynamics at the time I think. (School_Board2.3FL)

The superintendent also had a fraught relationship with the local union. He attests that the relationship got off to a rocky start because of some of the reforms he promoted early in his tenure:

> I probably wasn't the most popular person with the teachers union. And…for a number of reasons, but primarily because I pushed the button often on teacher termination for what I viewed as conduct that wasn't becoming of the profession. Um…so, early in my tenure, I had a number of…um, tough moments with the teachers union. (Superintendent.3FL)

The difficulty of the union-superintendent relationship was further exacerbated by a controversial contract negotiation in which he attempted to change the number of hours in teachers' contracts. When a satisfactory agreement could not be reached, the superintendent imposed the contract—a significant breakdown of the collaborative bargaining process in District.3FL (Central_Office.3FL). Based on the reports of school board members as well as the human resources officer (Central_Office.3FL), it seems that the superintendent attempted to 'power through' reforms against opposition, which resulted in strained relationships and the perception of disrespect:

> (Due to board antagonism) Superintendent.3FL decided that he was just going to work around in spite of us…and I kept telling him, you know…I get what you're doing but you're killing me here. I understand why you don't want us in your face, but at the same time, you know, you accepted the job. We're gonna be in your face. And um…so the relationship was, was much different. He, um, I don't think he had much respect for the board. (School_Board1.3FL)

> Superintendent.3FL was very bright and hard-working, but…um…how can I put it…showed a lack of respect for people in the district including board members and I guess the union, he was, in my opinion, somewhat difficult to work with in general…the union at that time might have felt that their input was not valued enough. (School_Board3.3FL)

What is notable about the dynamics that emerged from District.3FL is that there appears to be a significant intra-district battle for influence. The superintendent perceived the school board to be working to advance their own agenda—often allying themselves with the union in opposition to the superintendent:

> I will tell you, I am very convinced that several of my board members spent more time with members of the collaborative bargaining team than I ever did. So…the board was pretty sophisticated in terms of knowing their responsibilities for policy but they also didn't hesitate to um, when it served them either politically or in terms of moving a policy that maybe the administration didn't favour. (Superintendent.3FL)

> The district probably did have a better reputation with the union…There was more trust with (the leader of collaborative bargaining) and that group than there was, than in me. (Superintendent.3FL)

These complex relational dynamics seem to be the key to unpacking District.3FL's non-participation in the DATE grant. Ultimately, participation was vetoed in the collaborative bargaining group. The school board had committed to increasing teachers' base salaries (**b**, Figure 8.15) and perceived bonuses to be inappropriate until those commitments had been realised. Ultimately, then, the union and school board were allied—bonded by a common goal to increase teachers' salaries as well as a common distrust of the superintendent (**e, d**). Though participating in STAR or MAP was *not* ultimately in conflict with raising salaries, as the funding for PRP was totally independent from the district's general budget, *politically* the distinction was impossible. The school board would not consider any reforms until they had fulfilled their commitment to improve the base salaries, and the superintendent was convinced that teachers would begrudge incentives in the face of the perceived 'unfulfilled promise' of base raises. Thus, though Superintendent.3FL expressed an interest in participating—in spite of some reservations—he did not feel like he could make any progress against the opposition of the school board and the teachers' union:

> So, I thought if we took off on this other process people would say, 'Wait, you're taking money away from a board priority to advance the merit pay issue,' and they never would have been satisfied. People might have said, 'You can do it if you get to the average like you promised, but you have to get there first.' So the pragmatic side of me said, 'until we get there, I'm not going to use the little political capital that a superintendent has on that because it's a no win for me'. (Superintendent.3FL)

In summary, the picture that emerges from District.3FL confirms the findings of Chapter 7. The superintendent would have wanted—despite his reservations about PRP, a complication discussed in Section 8.4.3—to participate in the STAR programme. However, though he technically may have been 'powerful enough' to do so against school board and union opposition—he could have imposed contract and acted unilaterally to attempt to force the reform through—the dynamics of District.3FL caused him to decide that it 'wasn't worth it'(**f**).

Furthermore, his options to manoeuvre or persuade were severely limited by the relational dynamics of the district. His relationship with the union as well as the school board was characterised by mistrust and lack of cooperation. It is impossible to know whether a cooperative relationship could have secured the union's agreement to participate, but it is certain that the broken relationship *ensured* that Superintendent.3FL had virtually no chance to change the union's mind—to convince them that participating in STAR could provide additional pay for teachers in the short-term and was not in conflict with the shared goal of increasing teachers' pay in the long-term.

Ultimately, this was the strategic compromise that unions in District.1FL and District.2FL both chose to make. The fact that the key difference between these districts and District.3FL was a conflict-ridden relational dynamic lends further support to the 'cooperative compromise' pathway.

Together, the three Florida districts confirm that cooperative relationships are a significant explanation for why PRP occurs. Furthermore, the absence of cooperative relationships contributes to explanations of why PRP does not always occur. However, given assumptions of causal asymmetry, multiple pathways to non-reform are possible, and these pathways are not simply the inverse of reform pathways. A closer examination of the variable incidence of PRP reform in districts where unions were relatively weak provides an opportunity to explore some of the non-union factors that may explain PRP reform.

8.4.4 'Weak Union' Counterfactuals

The three Texas school districts, where unions are weak by every measure (Section 8.4.1), provide an opportunity to consider a variety of significant counterfactuals. This dissertation has started from the assumption, building on existing theories, that strong teachers' unions exert a considerable influence on policy-making processes and outcomes. The research has aimed to revise existing theories and develop new hypotheses for *the ways* in which 'unions matter'. However, the reform experiences of Texas school districts provide an opportunity to peel back some of these fundamental assumptions.

Moe's description of teachers' unions, their power, and impact, suggest—both implicitly and explicitly—a clear policy solution that should and would be implemented *if not for unions*. However, even where unions are weak, compensation reform has been uncommon (Hess & West, 2006). These cases, like the non-participating (non-PRP-reform) districts in Texas (District.6TX) directly confront Moe's assumptions. They provide examples of non-reform that *cannot* be attributed to unions. By focusing on contexts where unions are weak, this analysis and discussion shed light on relevant non-union drivers of (non-) reform—factors that may be also be relevant in 'strong union' contexts. Furthermore, it challenges and complicates some of the fundamental ideological and theoretical assumptions underlying existing theories of teachers' unions which have been accepted up to this point in the research but, as these cases demonstrate, are ultimately untenable.

FIGURE 8.18: District.6TX Timeline

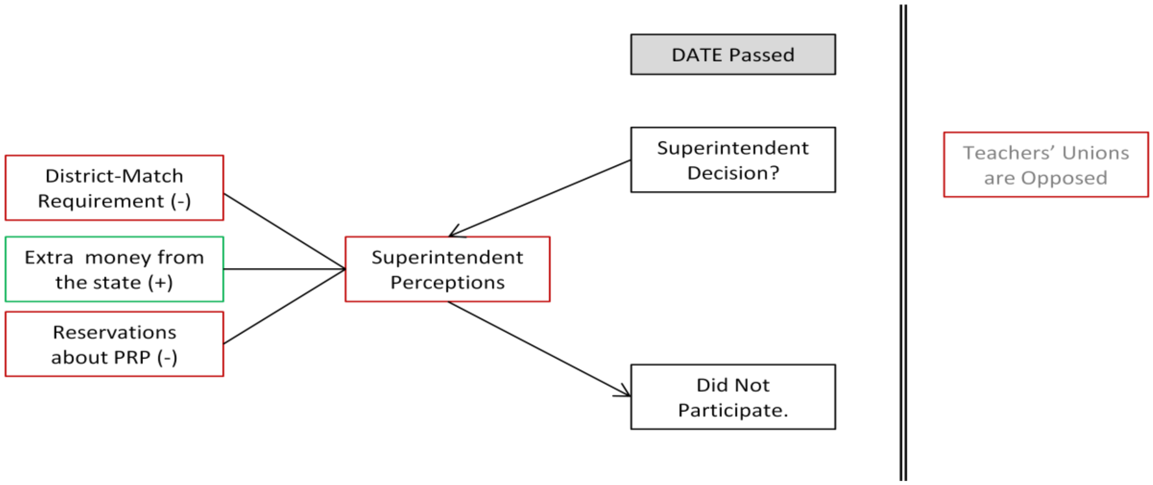
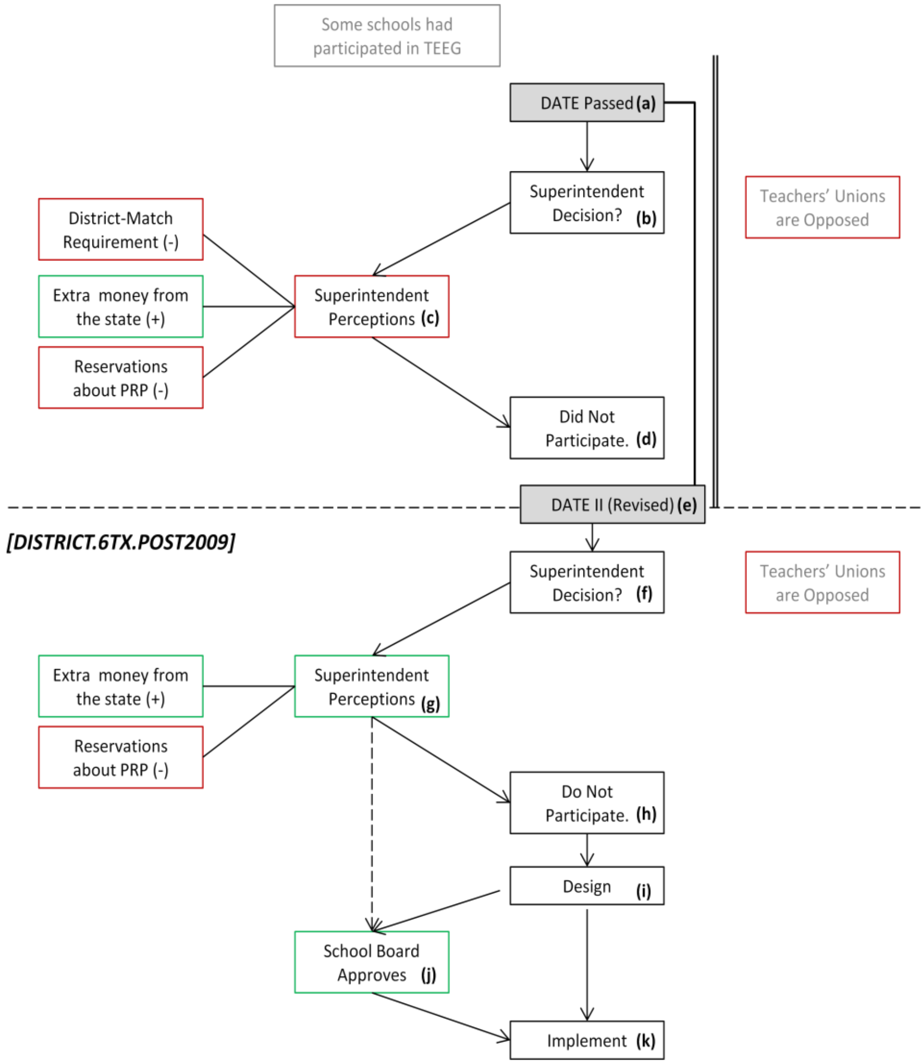


Figure 8.18 displays the timeline of District.6TX's non-participation. It illustrates that the decision to not participate was driven by the superintendent. Though the union was opposed to PRP, this did not factor into the superintendent's decision. The main driver of District.6TX's non-participation was its (inaccurate) initial conception of the financial requirements of the DATE grant. Ultimately, the district opted to not participate because of the requirements for a local contribution or match (Superintendent.6TX). The causal significance of this false assumption in explaining the district's non-participation is demonstrated by the fact that they later reversed their position—participating in what they call 'DATE II'—when they realised that the perceived 'district match' requirement "no longer" applied[209] (Figure 8.19, and Table 8.20, Column (8)).

[209] This misconception is believable; there was a period where DISTRICT.4TX also believed that there would be matching requirements. However, their perception was corrected and they participated.

FIGURE 8.19: District.6TX Decision to Participate in 'DATE II'



Though the point is somewhat obvious and banal, it is essential: reforms (or their absence) may be explained by the preferences, strategies, and tactics of school managers and decision-makers, and the perceptions, both accurate and erroneous, on which they are based.

TABLE 8.20: School District Administration Preferences and Perceptions

		(1) Competitive vs. Collaborative	(2) Motivate/incentivise	(3) measurability	(4) fairness	(5) Recruit/retain	(6) reward performance	(7) Pay teachers More	**(8) Perception of Local Match**
DISTRICT.4TX	Superintendent.4TX	X	--	X	X	Y	--	Y	N[1]
	Central_Office.4TX	X	Y	X	X	Y	Y	--	
DISTRICT.5TX	Superintendent.5TX	U	Y	Y	Y	--	--	Y	N
	Central_Office.5TX	Y	Y	X	X	--	Y	Y	
DISTRICT.6TX	Superintendent.6TX	--	--	X	--	Y	--	Y	Y
	Central_Office2.6TX	X	X	--	--	--	--	--	
	Central_office1.6TX	X	X	Y*	X	--	--	Y	

*: Yes, possible, but with caveats.
m: missing data
D: divided responses
U: unsure
°: though they wanted to raise teachers' salaries, they wanted to raise the base salary

In the case of District.6TX, the superintendent's decision to not pursue participation in DATE in 2008 was primarily based on his perception of financial demands. However, the financial reservations were a kind of 'final straw' and confirmed District.6TX's non-participation in the context of the superintendent's broader ambivalence about PRP:

> I didn't really see any basis for it, you know? And if we talk further, I am sure this will continue to be an ongoing theme for me...I just don't know that…when you've provided that additional pay…what we're saying that's for…my thinking is that it oughta be, that we can clearly identify that there was value-added, that there was something that this particular person brought to the table that resulted in achievement gains for kids. And I just have not seen methodology that you can clearly attribute that to a single teacher over that small period of time. (Superintendent.6TX)

…I think I'm an advocate (of PRP) if somebody could show me, you know, and I could be absolutely convinced, that we could identify merit. (Superintendent.6TX)

Though the financial questions appear to be the cause of the superintendent's decision to not participate in DATE in 2008, his broader reservations about PRP—particularly linking teachers' pay to student test scores—were not unique to District.6TX. Table 8.22 presented the perceptions of PRP of superintendents and key central office staff members in Texas. The majority of interviewees expressed concerns about the measurability of teachers' performance and the fairness of PRP systems. Interviewees in both District.4TX and District.6TX also expressed concerns about the impact of PRP on collaboration between teachers (1) or expressed doubt about whether financial rewards motivated teachers. The superintendent of District.5TX is the only district leader in Texas who did not express doubt or ambivalence about PRP (Figures 8.22, 8.23).

FIGURE 8.21: District.4TX Timeline

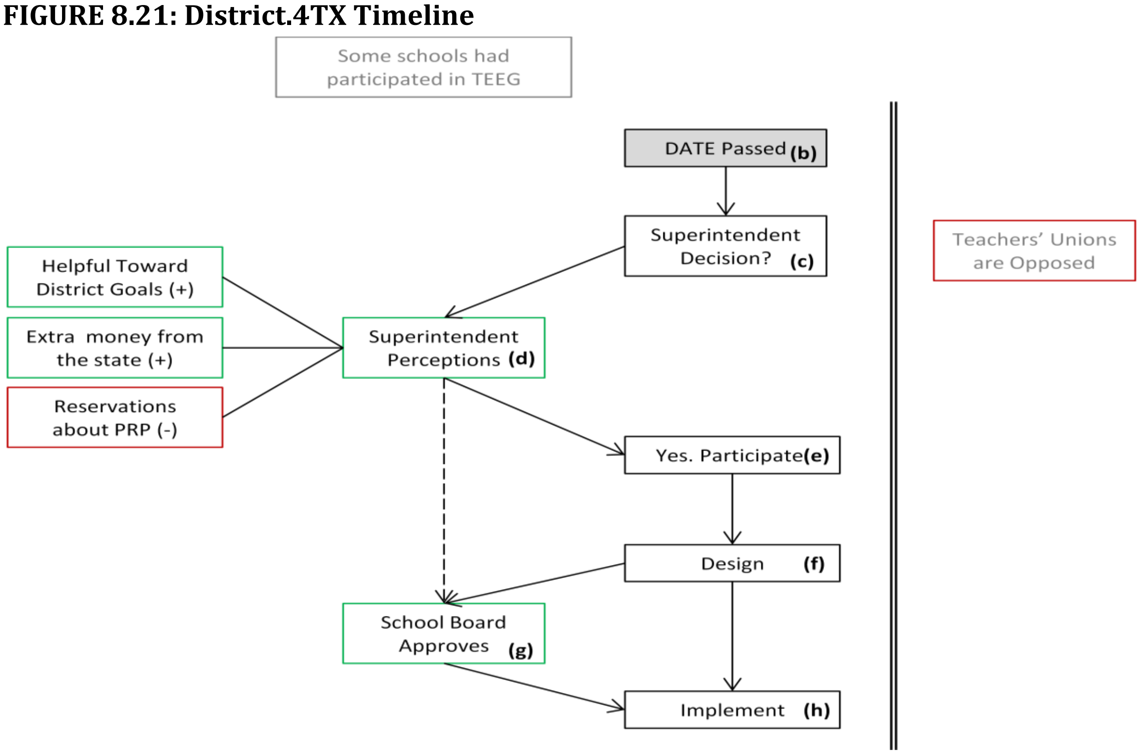
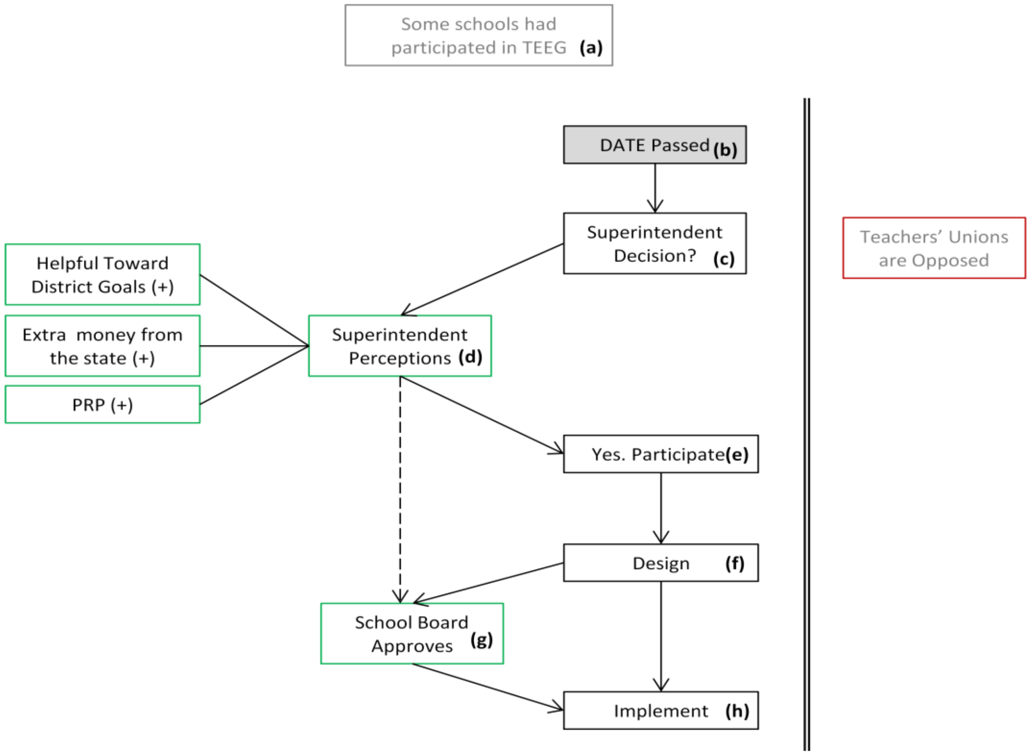


FIGURE 8.22: District.5TX Timeline



Questions about the effectiveness and desirability of PRP were not unique to Texas districts. Table 8.23, which reproduces the responses of Texas Superintendents alongside their Florida counterparts, shows that the confidence of the superintendent in District.5TX—*not* the ambivalence of the superintendent in District.6TX—is the exception.

TABLE 8.23: Key Decision-Maker Preferences, Texas and Florida

	Competitive vs. Collaborative	Motivate /incentivise	measurability	fairness	Recruit/ retain	reward performance	Pay teachers More
Superintendent1.1FL	X	--	Y*	--	--	Y	Y
Central_Office.2FL	--	Y	X	X	Y	Y	Y
Superintendent.3FL	X	X	Y*	X	--	Y	N°
Superintendent.4TX	X	--	X	X	Y	--	Y
Superintendent.5TX	U	Y	Y	Y	--	--	Y
Superintendent.6TX	--	--	X	--	Y	--	Y

*: Yes, possible, but with caveats.
m: missing data
D: divided responses
U: unsure
°: though they wanted to raise teachers' salaries, they wanted to raise the base salary

In every district except District.5TX, the district expressed reservations or concerns about some aspect of PRP—its effect on collaboration, its ability to motivate, or its measurability or fairness. These concerns were consistent across both participating (District.1FL, District.2FL, and District.4TX) and non-participating districts (District.3FL and District.6TX). Though the strategic calculations and their conclusions varied—some decided it was ‘worth it’ while others did not—the reservations about PRP were almost universal.

In District.1FL concerns about measurability and its preferences for group- rather than individual-based compensation were overcome by the benefit of receiving additional funds for teachers’ compensation:

> You know in our district when it initially started it was 7 million dollars and that’s, that’s quite a bit of money so that you can, we found that we could reward more teachers for performance under the state system than we could on our own… (Central_Office.1FL)

> [After creating a record of opposition]… we were forced to pass it, um…even with all the flaws because if we didn’t, we were going to not be eligible for the 7 million dollars. And it was a really awful vote to have to take. None of us felt good about it—in the sense that, we thought that it was seriously flawed, but it was just one of those moments where you have to decide the lesser of two evils. And…uh, the greater evil so to speak would have been to lose 7 million dollars of pay for teachers [despite being totally unfair to 75% of teachers]. (School_Board2.1FL)

The pervasiveness of superintendents’ reservations is both theoretically and practically significant. Theoretically, they are important because they directly challenge one of the underlying assumptions Moe’s argument, which posits that the explanation for certain policy outcomes—like the absence of PRP—can be attributed to union opposition. The implicit argument is that these reforms would have been implemented ‘if not for unionism’. It suggests that someone—vaguely termed ‘reformers’, presumably government leaders and their allies—knows what the optimal policy solution is (PRP) and wants to implement it, but is prevented from doing so by strong countervailing forces with opposing interests (unions). Based on these assumptions, the absence of these optimal policy solutions must be attributed to the countervailing forces’ success in thwarting them. This research has already presented considerable evidence that the interests and impact of these countervailing forces is far more complex than this theory would suggest. However, the widespread ambivalence of school district leaders suggests that preferences—and resulting strategies and tactics—of key decision-makers may be as variable and complex as the interests of teachers’ unions.

This research has taken great care to avoid the question as to whether PRP is the *right* policy solution. However, the responses of district leaders and officials cast doubt on some of Moe’s policy-oriented assumptions. Regardless of who is correct in the debate about PRP, the salient point in terms of this research is that teachers’ unions are *not* the only actors who have questions, doubts, or oppositions to certain tenants of PRP. A depiction of PRP reform as a two-sided drama, in which one side (policy-makers and school leaders) unequivocally supports PRP and the other (unions) unequivocally opposes it, is inconsistent with the evidence.

Instead, all decision-makers are asking themselves the same question: ‘Is this worth it?’. The answer to that question depends on whether the perceived benefits of a reform outweigh the perceived cost of participation. Even in the absence of strong unions, this is not a straightforward question for decision-makers, as the Texas cases demonstrate.

District.4TX ultimately decided that it was ‘worth it’, but only because they had the freedom and flexibility to design a plan that addressed their key concerns about fairness, measurability, and not eliminating cooperation (Figure 8.22). According to the superintendent of District.4TX, if they had been forced to provide rewards to individual teachers based on student test scores—as was the case in Florida—the district would not have participated. Their non-participation would not have been driven by teachers' opposition, but by the superintendent's opposition:

> One of the biggest problems that I have with merit pay is that it eliminates the sharing of best practices…you have a collaborative environment. If that had not been allowed, that was our plan, that was the only plan that we were going to submit, and had it not been approved, we were out. (Superintendent.4TX)

Even in District.5TX—the district that demonstrated the greatest enthusiasm and confidence in PRP—the superintendent's calculation about whether PRP was 'worth it' was tipped by the DATE grant (Figure 8.23). Though he had always been a proponent of the reform:

> It takes an incredible, incredible amount of time, and um, and uses up huge amount of political capitol with the teaching rank and file in pursuing, uh, something that, I [did not] believe has um, enough of a return on that investment to pursue it. (Superintendent.5TX)

His statement confirms that even in the absence of teachers' unions there may be perceived costs that outweigh the perceived benefits even for reform proponents. These perspectives strongly challenge any suggestions that unions are exclusively, or even primarily, responsible for the absence of PRP in the United States. This is not to suggest that strong unions are irrelevant to the policy-making process. However, policy-making outcomes—and the relevant contribution of teachers' unions to those outcomes—must be understood within a framework in which all actors are making decisions and calculations as to whether a particular reform is 'worth it'.

8.4.5 Final Test: The Reversal of District.2FL?

This section has examined the reform process in each district and confirmed the salience of relationship patterns and the viability of the cooperative pathway in the U.S. context. It has also accumulated further evidence of the fundamental complexity of actors' preferences when it comes to PRP—including the preferences and perceptions of policy-makers. The only remaining puzzle is District.2FL's eventual decision to opt-out of the MAP programme (Figure 8.8).

Section 8.4.2 argued that a cooperative relationship pattern between the teachers' union and the school district was critical to understanding District.2FL's participation. The state legislation and associated funding provided an incentive, but the relationships secured the union's cooperation in spite of their concerns. What changed between 2006 and 2009 to cause the district to opt-out of the MAP programme? Did the cooperative relationship disintegrate, or how can the shift be understood?

The relationship between the union and the district did not change during this period. However, the perceptions and preferences of both the union and the district changed overtime. As represented in Figure 8.23, there were always concerns about the measurability and fairness of PRP. Initially, everyone in the district was able to agree that the availability of state monies made participation in the district's best interest in spite of these reservations:

> But again, one of the things we did is we looked at it this way. You know, first of all, its four million dollars that's not going to come to the district. So it's an advantage for us to put together a system that will allow us to put teachers, put this in the pockets of our best teachers... (Central_Office.2FL)

However, several factors led to different calculations and, by 2009, the conclusion that participation was not 'worth it'. The union had received a number of complaints from disgruntled members during their two year participation in the MAP programme (Union_Leader.2FL; Central_Office.2FL). At the same time, the district was finding the MAP programme increasingly costly—in terms of both time and money—to administer. The financial and administrative burden was becoming more difficult to sustain in the face of other competing priorities. So, in 2009, both parties agreed that it was no longer worth it to continue to participate in the programme (Union_Leader.2FL; Central_Office.2FL).

8.5 Conclusion

How does the typological theory, outlined in Chapter 7, hold up to the U.S. test? In general, the U.S. cases provide support for the theoretical revisions, confirming the salience of the two causal pathways identified in Chapter 7. The support for relationship patterns was particularly strong. The U.S. cases also suggest a few additional insights and further revisions to Moe's assumptions and description of teachers' unions. Figure 8.24 displays a modified version of Figure 7.2.

One significant addition to the model based on the U.S. cases—particularly the 'weak union' U.S. cases—is required. Specifically, it was clear that reform may not occur in a district *not* because of union opposition, but because the leader, key decision-maker, or 'reformer' did not want to pursue PRP (path 6). In fact, a surprising finding given the way that Moe articulates his thesis—that there are a set of obvious and commonly held policy solutions that are blocked by obstinate unions—was that the majority of school district leaders were at least somewhat ambivalent about PRP. The only district whose leader expressed a virtually unwavering confidence in PRP was District.5TX. Every other leader had at least some hesitancy about the measurability and fairness of PRP, its impact on collaboration, or its effectiveness as a motivator.

In terms of policy-maker preferences, the majority of superintendents would have been classified as 'ambivalent'. The majority of school district leaders decided that it was 'worth it' to pursue reforms, because it was a way to get more money to the district and to teachers and because they believed that they could design systems that would achieve district goals in spite of their reservations. However, District.6TX initially chose not to participate in DATE—not because of union opposition, but because the superintendent was not interested in pursuing a reform about which he was ambivalent in light of a perceived district match requirement.

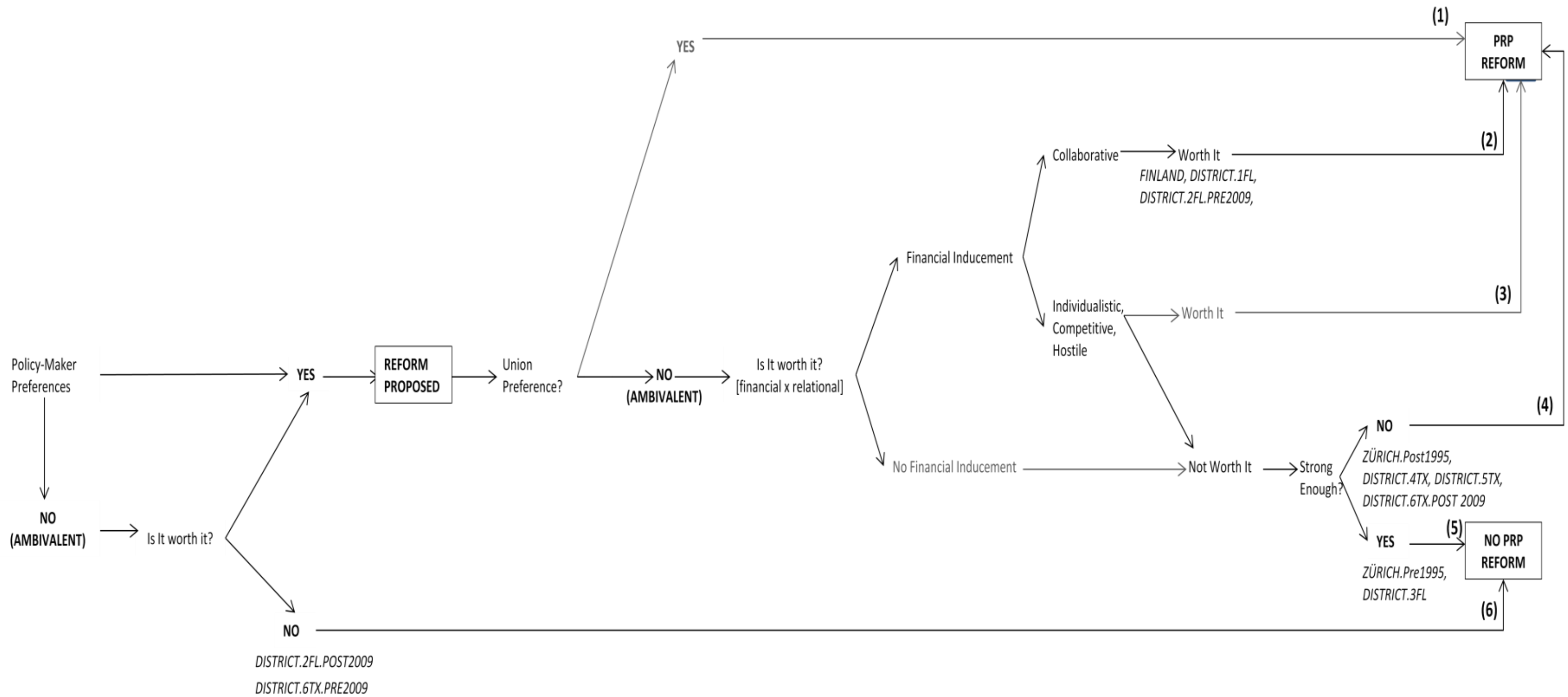
When the potential for 'leadership ambivalence' or opposition was applied to districts with strong unions (Florida), those pictures—which had been brought into focus through an examination of interaction orientations and union preferences—only became clearer. District.2FL's eventual decision to opt-out was a mutual decision—according to all interviewees—on the part of the union and the district.

Both parties had decided that reform was not 'worth' it: the union because of perceived unfairness and complaints from members, and the district because of the financial and administrative costs of overseeing the programme. To attribute this outcome to union opposition overcoming a popular reform would be to grossly mischaracterise what actually happened and the complex interests of both teachers' unions and district leaders.

The classification of District.3FL in Figure 8.24 also deserves comment and speaks to the inherent complexity of formalizing the model. The superintendent in District.3FL expressed some ambivalence about PRP, but also expressed an interest in pursuing the reform *if* he had not perceived it to be impossible, or at least 'not worth' the expenditure of his limited political capital as a superintendent. Did the union in District.3FL block the reform? Though it seems that the reform died before it ever began, that was in large part because the superintendent knew that attempting reform would be too politically difficult due to union opposition—and their close links to the school board.

Chapter 9 consolidates the evidence regarding both the problem-oriented and theory-oriented questions driving this research. It addresses the conditions under which PRP would be expected to occur, or not, and the role that teachers' unions play in that process. Then, it consolidates the theoretical implications of these findings for theories of union preferences and power. These revisions have significant implications for policy-making as well as future research.

FIGURE 8.24: Revised Typological Theory of PRP Reform



CHAPTER NINE: Conclusions, Implications, and Opportunities for Further Research

In Chapter 1, the research questions were framed in the context of recent reforms in the United States aimed at weakening or eliminating public sector unions. Reforms like Wisconsin's have been positioned as promoting the more effective and efficient provision of public services—preserving the government's 'right to manage' without the meddlesome influence of public sector unions' perceived self-interested demands. If Wisconsin's precedent-setting reform is any indication, the role of teachers' unions in the United States is at a crossroads. Over the past decade, fiery anti-union rhetoric has turned to action as teachers' unions are portrayed as defenders of a 'failing' education system and immovable obstacles impeding essential reforms. The solution that has been presented to this constructed problem is to remove the obstacle—weaken teachers' unions and limit their influence and voice. Terry Moe's account of teachers' unionism bolsters these conclusions, confirming that the interests of teachers' unions are fundamentally incompatible with the public interest and 'what's best for kids'. Is Moe right about teachers' unions and their impact on education policy?

The research has accumulated enough evidence to reject Moe's account. Yes, strong teachers' unions may sometimes block reforms, but his theory lacks predictive or explanatory power. At best it is a covering law absent specific causal mechanisms or the contingent generalisations to describe when the effects are produced and why they are not always. However, beyond its predictive and explanatory value, many of the fundamental assumptions upon which the theory is based appear questionable. Teachers' unions' preferences and interest-calculations are complex and dynamic—not invariant and predictable. Teachers' unions' power—particularly in the complex, multi-layered U.S. education policy-making landscape—is contingent: varying over space, time, and issue. And union-management relationships provide a significant mechanism through which interest revision may occur.

Narrowly, this research has demonstrated that overpowering is not the only pathway to implementing a controversial reform like PRP: cooperative relationships may make compromise possible. PRP reform has occurred in Finland, Zürich, and parts of the United States in spite of strong unions and can be attributed to a number of potential causal pathways—rooted in power, relationships, and preferences. Though non-reform may be partly due to union opposition, the case studies examined in this research also highlight a number of non-union factors that are significant to understanding the low take-up rate of PRP reform across the U.S. Most notably, policy-makers are less confident than Moe about the inherent value of PRP.

Section 9.1 outlines the research findings—when PRP occurs, why it does not always, and the resulting theoretical implications—that have emerged from the iterative comparative research. The research findings have practical applications for education policy-making and strategies for engaging teachers' unions in those processes. Section 9.2 suggests opportunities for future research and further development. Then, Section 9.3 outlines implications for policy-makers.

9.1 Research Findings

This research focused on a series of problem- and theory-oriented questions. First, when is PRP likely to occur and why doesn't it always? These questions were asked with particular attention to the role of teachers' unions in the reform process. And then, what implications do these problem-oriented insights have for theories of teachers' unions' preferences and power? Tentative answers to these questions were proposed in Chapter 7 after the examination of crucial international cases. These hypotheses were tested in the U.S. context in Chapter 8, further-specifying the causal mechanisms and theoretical revisions proposed in Chapter 7, and confirming their validity in the U.S. context. Section 9.1.1 outlines the findings of when PRP is likely to occur and Section 9.1.2 focuses on the various reasons why PRP may not occur. Then, Section 9.1.3

addresses theoretical implications, revisions, and emerging hypotheses of teachers' unions' preferences and power.

9.1.1 When do such results (PRP) occur?

The revised typological theory produced at the end of Chapter 8 (Figure 8.24) suggests that three types of pathways through which PRP reform occurs are possible: the 'power-through' explanation, the 'cooperative compromise' explanation, and the 'union preferences' explanation. All of the cases examined in this research (Chapters 5, 6, and 8) are explained by the former two explanations. However, the third explanation, though unobserved, remains hypothetically possible.

First, in the 'power-through pathway', teachers' unions' oppose the reform, but motivated reformers are able to over-come union opposition (4, Figure 8.24). If the teachers' union decides that PRP reform is 'not worth it', reform may still occur if the union is not strong enough to block it *at that time*. Unions in selected Texas districts were described as 'weak': a weakness that was consistent and fairly invariant, linked to the institutional arrangements that constrained unions in the state. Thus unions in District.4TX, District.5TX, and District.6TX post-2009, were unable to block reforms that they opposed. In addition to cases like those researched in Texas where unions are consistently weak, Switzerland provides an example of a case where union power varied over time; union opposition successfully blocked reform until 1995, but was neutralised post-1995. Thus, Zürich post-1995 provides an example of the power-through pathway. This explanation speaks to the contingency of teachers' unions' power, a theoretical implication discussed in Section 9.1.3.

Second, in the cooperative compromise explanation (2, Figure 8.24), unions are opposed to the reform[210] but are convinced, through a cooperative or collaborative relationship with reformers, to support it. In this scenario, compromise is in the unions' short- and long-term best

[210] In terms of their first-order preferences

interest. This path was exemplified in Finland, where the new salary system was implemented in 2007 as a compromise between OAJ and KT. The union conceded on PRP (HL) in order to get raises for teachers. This interest-calculation was linked to the complexity of union preferences and goals, but it was also linked to the OAJ's relationship pattern with their negotiating partners. The cooperative relationship pattern was well established—evident at both the central and local levels—and impacted both parties' strategic calculations. Both started from the assumption that the result of negotiation *would* be a compromise; the union attempted to find 'tactically clever' solutions within this framework.

It would be easy to write this off as a particularity of Finnish institutions, culture, and history. After all, it is a small nation with trademark corporatist institutions and a power-sharing and consensus-oriented political culture (Katzenstein, 1985). However, there were marked differences between and variable relationship patterns across U.S. school district cases with strong unions (Florida), and these differences were highly correlated with reform outcomes. While both District.1FL and District.2FL displayed cooperative relationship patterns between the school district and unions, District.3FL—where PRP was not implemented—was marked by relational strife between the superintendent and the union.

The third potential pathway to reform—one that was not observed in the cases studied, but remains possible—is labelled the 'union preferences pathway'. In this hypothetical path, the union either prefers PRP reform (i.e. first-order preference), or calculates that it is in its best interest (strategic-calculation of interest), and opts to support reform independently of the relational incentives to do so. There are two versions of this pathway in (1 and 3, Figure 8.24), but the basic premise of this pathway is that the union prefers PRP (1) or decides—either due to financial inducement or some other reason—that accepting or pursuing PRP is 'worth it'(3) independently of either the power (Section 9.2.1a) or the persuasion (Section 9.2.1b) of key leaders or policy-makers.

Though neither versions of the 'union preferences pathway' were empirically observed, there is no reason to assume that they are impossible, given variable, complex, and competing union preferences. Thus, they remain important theoretical possibilities which should not be eliminated in future research.

9.1.2 Why don't they (PRP) always occur?

Section 9.1.1 outlined three explanations for why PRP occurs, but why doesn't it always? The most straight-forward response would be to point to the inverse of the pathways that make reform possible. PRP is unlikely to be possible in cases where neither pathway exists—either if relationship patterns do not facilitate compromise or, in the absence of these conditions, if 'reformers' are not powerful enough to overcome union opposition (5, Figure 8.24).

However, one of the central tenets of this research—and a key critique of Moe's account—is its emphasis on causal asymmetry, complexity and equifinality (Ragin, 1987, 2000, 2008; George & Bennett, 2005). Because causality is often asymmetrical, the causal pathway for non-reform is unlikely to be the exact inverse of the pathways for reform. Chapter 8 made a key contribution to the factors that drive non-reform, highlighting the significant role of non-union causes, namely the complex preferences and ambivalence to PRP amongst key decision-makers and stakeholders.

The explanations for when PRP is likely to occur all assume that policy-makers *want* to reform. However, District.6TX proves that reform may not occur even when a union is too weak to block it. It exemplifies the third potential cause of non-reform most clearly: lack of motivation or reform commitment in leadership (6, Figure 8.24). Regardless of the union's preferences related to PRP and its relative strength to oppose reform, PRP will not occur if key leaders or policy-makers do not prefer PRP, or do not think 'it is worth it'. Though this causal explanation was demonstrated most clearly in District.6TX, it was also evident in District.2FL's decision to eventually opt-out of

Florida's PRP system. Both District.6TX and District.2FL (post-2009) illustrate that unions are not the only actors who may be ambivalent about PRP reform.

So, if we were to look at the universe of cases where reform has not occurred, there are two major pathways to non-reform. First, consistent with Moe's hypothesis that strong unions block reform[211], PRP efforts may have been opposed and thwarted by union opposition, as evidenced by Zürich, pre-1995 and District.3FL (5, Figure 8.24). However, non-reform may also be explained entirely by non-union factors. PRP may not have occurred in some cases because no one—including leaders and policy-makers—*wanted* to pursue PRP reform.

9.1.3 How do these findings contribute to theories of teachers' unions—their preferences and impact on policy-making?

The findings outlined in Section 9.2.1 and 9.2.2 have a number of significant theoretical implications. They challenge the conceptions of both preferences and power in dominant theories of teachers' unionism. Most significantly, they also provide evidence of the significance of relationships for both preference and interest formation as well as for the exercise of union power.

Turning first to preferences, it is clear—particularly from the detailed exposition of teachers' unions' preferences in Zürich and Finland—that the interests of teachers' unions are complex and multi-faceted, confirming ACI assumptions (Scharpf, 1997) and previous research (Poole, 2000; Vallaint, 2005). This complexity can be approached from a number of angles. First, the preferences of individual teachers are complex. LCH.Union_Leader's (Switzerland) juxtaposition of those concerned with defending salaries with 'pedagogical dreamers' who would 'achieve that dream for no pay' and the perceived tension and interplay between professional aims and economic interests may be particularly apt. However, even *within* the category of 'economic interests', the teachers' preferences are not monolithic or straight-forward. As evident in both Finland and Zürich,

[211] Though this hypothesis is significantly complicated by the contingent generalisations describing how reform may be possible in spite of strong unions outlined in 9.1.1.

secondary teachers may have different preferences to elementary teachers, or math teachers might have different preferences to language teachers, due to their different starting points which may result in policies presenting gains for one group and losses for another. A second and related observation was the multiplicity and complexity of union goals. The goals reflected many purposes emphasizing both 'system maintenance' objectives to improve teachers' and the unions' financial position as well as emphasizing 'goal attainment' preferences related to teachers' professionalism and effectiveness. Furthermore, the goals had both short- and long-term dimensions and related strategies.

Though the findings about teachers' unions' preferences are significant vis-à-vis dominant theories, an equally significant and surprising finding, in terms of particular PRP preferences, was the complex preferences of key leaders and decision-makers regarding PRP reforms. Moe's account of teachers' unions is premised on two unarticulated assumptions: First, that policy-makers *know* how to design schools—including teachers' compensation—effectively, i.e. perfect information (Wilber, 1998). And second, that they *want* to structure schools in this way. These are key premises in the logic that the reason why schools are *not* organised in these ways is because teachers' unions prevent policy-makers from implementing reforms like PRP. This logic is evident in Moe's discussion of the Denver ProComp plan:

> This pay-for-performance plan is widely hailed as a national model and an example of what can be achieved when districts and their unions work together on reform. It is also indicative of the limitations that come along with union buy-in…The Denver plan is probably better than the single salary schedule. But it is still a pale version of what a serious, well-designed pay-for-performance plan might look like if the sole concern were to make the schools as effective as possible. The reason is simply that, with the unions heavily

> involved in its design, it is built to protect the occupational interests of teachers. (Moe, 2011, p. 253)

Moe calls the ProComp plan 'watered down' because student test scores play a limited role amongst a variety of other factors—including professional development, performance evaluation, and school-wide bonuses. Furthermore, he says that the district "bought off the union" by increasing teachers' base salaries in addition to providing incentives (Moe, 2011). These 'compromises' are portrayed as the unfortunate consequences of concessions to a powerful union.

However, the consistent theme that emerged from the U.S. case studies was that superintendents and school district officials are often not fully convinced that PRP—at least the particular versions of it promoted by Moe—is a good idea. Chapter 8 documented the hesitation, ambivalence, and concern of superintendents across the U.S. cases. Even those who were generally supportive of PRP expressed concerns about measurability, fairness, or competitiveness. These doubts stand in stark contrast to Moe's presumption about the self-evident nature of PRP. In addition to challenging his assumption about preferences, it also fundamentally calls his causal logic—that teachers' unions are inevitably the source of the 'watering down' of reform—into question. As Kerchner and colleagues argue, "to criticise unions for opposing a particular reform assumes that reforms themselves don't deserve a vigorous debate" (1997 p. 4). It seems that over-looking the vigour and pervasiveness of the debate about PRP (Adams, Heywood, & Rothstein, 2009; Johnson, 1986), has produced an over-simplified view of both the preferences of teachers and leaders. PRP reform may not occur because of teachers' unions' opposition, but it may also be a product of the preferences, strategies, and decisions of leaders (Hess & Kelly, 2006; Wirt & Kirst, 1997)

Second, relationship patterns, interaction orientations, and their impact on reform have received considerable attention throughout this dissertation. The inclusion of relational preferences was a significant component of the ACI theoretical framework in Chapter 3. Both Chapters 5 and 6 provided careful exposition of their causal significance in international cases, and Chapter 7 formalised them into a causal mechanism in a typological theory that could explain the incidence of PRP reform. The congruence test in Chapter 8 confirmed that relationships provided a salient causal factor in the U.S. cases, confirming the generalisability of the causal mechanism.

Emphasising relationship patterns has significant implications for understanding actors' preferences and also the variability of union influence. Stable, trust-based relationships provide an avenue for cooperation and compromise that can be precluded by power struggles. Furthermore, relationship patterns provide a mechanism for interest intermediation—changes and shifts between first-order preferences and interests and strategies. This finding is significant for both teachers' unions and policy-makers. If unions want to be able inform the perspective of decision-makers, to persuade them to see education problems and potential solutions differently, a commitment to an adversarial relationship may be counterproductive. Similarly, policy-makers may find cooperative engagement around seemingly intractable problems aided by a foundation of trust. However, these trust-based relationships can be difficult to achieve and to sustain. District.3FL demonstrated the fragility of relationships—even where there are systems of collaboration—in the face of changing leadership. Institutions may support collaboration, but it is ultimately an interpersonal phenomenon that cannot be divorced from the people involved.

Though relationship patterns and the beliefs and personalities of the individuals within those relationships are critical to understanding the behaviour and influence of unions and the resulting policy-outcomes, they are certainly not a panacea. They are only one factor that informs strategic interactions that are rooted in complex and competing perceptions and preference calculations between actors. However, relationship patterns are frequently overlooked, and when this occurs, the preferences, strategy, and impact of teachers' unions are misunderstood.

What remains to be addressed is the theoretical significance of the findings about relationship patterns. The fact that the cooperative relationship pattern evidenced in Finland is generalisable to the United States is actually quite surprising, theoretically. There would be a variety of ways to explain why cooperation is possible and even likely in Finland, but unlikely, if not impossible, in the United States. First, one could look to theories of types of democracy. While Finland is a class consensus-oriented or consociational democracy, the U.S. is a prototypical majoritarian or competitive democracy (Lijphart, 1999). While the former is characterised by institutions that would encourage stable and cooperative relationships and broad coalitions, the latter is not. Second, in terms of labour relations in particular, Finland employs a corporatist model (Lehmbruch, 1977; Molina & Rhodes, 2002; Visser & Himerijck, 1997) that has embraced trade unions as legitimate social partners via concertation (Bacarro, 2003; Compston, 2003; Schmitter, 1982; Richardson, 1982; Rhodes, 2001), while labour relations in the U.S. are often characterised by mistrust, suspicion, and antagonism. Finally, Finland's inclusive democracy is further distinguished by its 'small state' status—a particular brand of consociational explanations that are premised on the necessity of cooperation for the survival of small states in an uncertain global environment (Katzenstein, 1985).

These theories all imply that cooperation and compromise in Finland is a bi-product of the particularities of Finnish institutions. None of these institutional conditions 'travel well' to the U.S. context. However, cooperative relationships which produced compromise were observed in U.S. school districts. How can this puzzle be explained and what are the theoretical implications of the explanation?

The generalisability of cooperative relationship patterns to the United States confirms that particular formal institutions (i.e. consociationalist or corporatist) are not necessary conditions for cooperation (Compston, 2000; Culpepper, 2002; Schmitter, 1982). Though Finland's historical, cultural, and resulting institutional development have produced a particular consensus-orientation that may help to explain the presence or stability of cooperative relationships, their absence does not preclude cooperation in the U.S. Furthermore, though cooperative relationships may be encouraged by consensus-orientations, they are also not an inevitable bi-product of these institutions—they are not *sufficient* conditions. The insufficiency of consensus-oriented institutions to produce cooperative relationships is evidenced by Zürich, which manifested an accommodative union-management pattern in spite of consensus-oriented institutions.

Because relationship patterns are not entirely institution-dependent—institutions provide neither necessary nor sufficient conditions—they can be altered, as evidenced by the U.S. cases. District.2FL, in particular, is a notable example of shifts in relationship patterns. The stable and cooperative relationship that was in place during the period of reform replaced an incredibly hostile relationship present through the late 1990s.

This is not to suggest that relationship patterns are unpredictable products of idiosyncratic personality differences and preferences. The existing relationship pattern—the relevant relationship history and established modus operandi—as well as actors' desire to *change* this pattern (interaction orientation) impacts actors' interest-formation, strategies, and willingness to compromise. Contexts with developed institutions that support cooperative relationships and their maintenance are likely to demonstrate more stable relationship patterns—i.e. Finland. However, contexts that lack these institutional supports can still establish cooperative relationships through informal norms and procedures as well as accumulating histories that build trust between participants (Johnson, 2004; Johnson & Donaldson, 2006; Johnson & Kardos, 2000; Kerchner & Koppich, 1993). However, relationship patterns may simply be more volatile in these contexts (Johnson & Donaldson, 2006).

This provides the best account for cooperation in the U.S. context. It is possible, but it is less predictable and may be more volatile. This volatility is where the majoritarian institutions and more competitive union-management environment may come into play. Majoritarian institutions produce greater turnover in states and school districts—both in the election of school board members as well as the tenure of superintendents. Because individuals' beliefs about union-management legitimacy and productivity are relevant to relationship patterns, this frequent turnover introduces a high-number of opportunities for disruption to an established relationship pattern (Johnson & Donaldson, 2006).

Finally, in terms of power, at the highest theoretical level, this research confirms Immergut's description of the contingency of power, which is "not an essential or invariant characteristic of particular interest groups" (1992, p. 8). There is not a direct relationship between static measures of union resources and their influence on reform (McClendon & Cohen-Vogel, 2008; Strunk & Reardon, 2010; Urban, 2004). Union power is contingent in a number of ways. First, different "strategic opportunities [stem] from the logic of political decision processes" (Immergut, 1992, p. 8). These are evident between countries—the opportunity structure for union influence differs considerably between Finland, Zürich, and the United States. Furthermore, the amount of influence is issue-dependent. Zürich provides the best example of this type of contingency; though the ZLV was relatively weak in terms of 'bargaining', it had the potential to exert considerable political influence—as evidenced by its success at delaying MAB implementation for almost five years.

However, the case of Zürich also points to the second key way in which teachers' unions' power is contingent—over time. The union saw its influence decline considerably in the mid-1990s, undermining its ability to stave off PRP reform. So even within a particular 'political decision process', union power is not invariant over time. Though differences between the opportunity structure for union influence between Finland, Zürich, and the United States are readily identified, a closer examination of the U.S. context confirms considerable diversity in union power *within* the U.S. Local unions in Texas were considerably weaker in Florida—a variability that is likely only the tip of the iceberg of the differentiation of the U.S. education policy-making context.

Any analysis—like Moe's— that attempts to describe education policy-making or politics in the United States as a whole should proceed with extreme caution, leery of 'whole-nation bias' (Lijphart, 1975; Snyder, 2001). The only time when discussing 'US education policy' as a monolithic, invariant, whole makes sense is in reference to federal politics or policy. Though federal politics of education are attractive because of their singularity (Sroufe, 1994), the number of issues which are exclusively federal are incredibly limited, and even these issues must attend to the complex inter-dynamics of multi-level compliance and implementation. Very rarely can the complex and messy reality of state and local variation be entirely avoided or ignored.

The sub-national variability of teachers' union behaviour and influence—due to both institutional variance as well as the independence of local associations vis-à-vis state and national unions (McDonnell & Pascal, 1988)—in the United States is well-documented (Bascia, 1990; Johnson & Donaldson 2006; Johnson & Kardos 2000; Murray, 2004). Thus it is difficult to summarise this diversity in one coherent picture of what education-policy is like 'on average'—especially because these differences may hold extremely valuable insights (Murillo, 2012). As evidenced by Chapter 8, even if Moe is right about the nature and effect of teachers' unionism in the United States in the majority of school districts—a claim that would require empirical evidence of causal mechanisms rather than a covering law—some districts defy his predictions. These districts demonstrate that even if unions *usually* behave or influence policy in a particular way, they don't always. And exploring these 'exceptional' cases illuminates alternatives. In most cases, there is no 'American system' of education policy: there are 50 systems or 14,000 systems operating in more or less similar ways. Similarly, this research confirms that teachers' unions in the United States should not be approached as one invariant entity as there are important differences across districts and states. Generalizing at the national level obscures more than it illuminates. Moe's over-simplified assumptions about teachers' unions' preferences and his neglect of relationship patterns and their potential interest-intermediating effects are two accumulating errors that produce wrong conclusions on power.

Teachers' unions' strength resources are highly-variable at the state and local level: differences that *must* have implications for their relative influence. However, Moe largely ignores these differences. Though he acknowledges that laws and other institutions can vary across states, he treats union power across this variable landscape as a largely invariant phenomenon. Furthermore, he justifies this simplification by positing that union power is evidenced by policy outcomes across the United States that are consistent with teachers' interests and proof of unions' influence. However, the evidence accumulated through this research—that teachers' aren't the only actors who may oppose PRP, that teachers' unions' preferences are far more complex than Moe allows, and that relationship patterns may further complicate simple pictures of union interests or strategy—leaves Moe's argument with little ground on which to stand.

9.2 Guidelines for Future Research

The findings outlined in Section 9.1 provide promising avenues for further research. The claims of this research should be tested in diverse reform contexts. Does the typological theory hold predictive and explanatory power in school district-initiated reform (in the absence of state grants like MAP and DATE)? How well does the model work in districts of different sizes? Or, how do other institutional factors—like mayoral control, for example—impact the theoretical claims?

Furthermore, though this research focused on PRP reform, the theoretical insights may be generalisable to other types of education reform and the role of teachers' unions in those processes.

The cooperative compromise and power-through paths may be applicable to understanding teachers' unions' opposition to and effects on other reforms. However, the generalisability of these claims must be tested. Pseudo-experimental controls—where school districts (or states) make opt-in or opt-out decisions in response to a common trigger—provide ideal settings for exploring the variability of reform outcomes. An inductive, process-tracing study of the Race to the Top grant process at both the state and district level may provide fertile ground for testing and refining the theoretical claims of this research.

Beyond simply testing the typological theory established in this research, one research strategy that may prove fruitful is to study the impact of teachers' unions on reform through non-participant observation or through intensive interviewing during the reform process. These methods have been insightfully applied to the study of private sector labour negotiations (Walton & McKersie, 1965/1992), and could further open the 'black box' of teachers' unions' power and influence. This approach would allow a more fine-grained analysis of union impact. Rather than simply relying on whether the union was able to 'block' a reform or not, a closer examination of the reform process—most effectively via non-participant observation—would allow the researcher to observe more subtle influences. Union influence may be equally significant in shaping the particularities of reform than determining whether it occurs or not. Future research could also investigate the correlations between union-management relationships and long-term reform outcomes. Are collaboratively-designed solutions substantively different from those which are powered-through? are they implemented more faithfully? do they have greater stability and longevity? There are numerous pathways for productive research; much work remains to be done.

9.3 Applications for Policy-Makers

What are the implications of these research findings for practitioners? How can they be employed to develop better strategies for productively engaging unions and to maximise the effectiveness of education policy-making? In the context of mounting economic pressures and fiscal consolidation plans, how can governments overcome union opposition to 'essential' reforms and cuts in education? What role can and should teachers' unions play in these difficult choices? Should they be eliminated? Can they contribute to more productive solutions—those that preserve the effectiveness of public service provision and ensure that the public sector can attract qualified employees?

George and Bennett (2005) argue that what practitioners need is a generic knowledge of the conditions that favour the success of a specific strategy and a correct image of the 'adversary'. Moe's account provides a particular image of the 'adversary' (teachers' unions) and implies a particular set of conditions that would favour the success of 'unpopular reforms'—to reform institutional arrangements in order to diminish the power of teachers' unions. Recent efforts to reduce the scope of teachers' unions' influence across the United States are consistent with the generic knowledge promoted by Moe's account and other dominant conceptions of teachers' unions.

However, this view reflects a narrow conception of both preferences (which has been challenged throughout this research) as well as of union-management and union-government relationships, which are grounded in a pluralist interest group system. The dominant view of union-management relationships in the United States is characterised by inherent conflict. A history of anti-union sentiments provides the groundwork for a distrust and suspicion of unions. Though a pluralist approach to unions—with its emphasis on conflict and distributive bargaining—is ideologically dominant in the United States, it is not the only available framework. European labour relations—particularly Germany, Northern Europe, and Scandinavia—approach unions quite differently, guided by an emphasis on social partnership and co-determination which is rooted in a history of corporatism (Jurgens, Berthon, Papania, & Shabbir, 2010). In contrast to the pluralist conception, in Northern Europe, corporations include employees in decision-making and are "a coalition of various participants…striving for continuity of the firm as a whole" (Lenssen & Verobey, 2005, as cited in Jurgens, Berthon, Papania, & Shabbir, 2010, p. 771). These cases provide a more optimistic picture of the potential for compromise. In the 'social partnership' model, compromise appears to neither sacrifice the public's (or firm's) interests, nor to manipulate or control unions. But the emphasis on the potential for compromise prompts two questions. First, is compromise a good thing? And second, is it possible in the U.S. context?

Moe argues that compromising with teachers' unions is inherently bad. If unions' interests are inherently and fundamentally selfish and inconsistent with the public interest, if every gain for teachers' unions is a loss for what is best for students, then weakening unions is justified. Moe recognises the value of union-management compromise in the private sector because "the system of rules to come out of all of this is advantageous to everyone and people are always free to leave if they have better opportunities elsewhere" (Moe, 1995, p. 125). However, he takes a different view of compromise in the public sector, arguing that rather than creating mutual advantage, it is coercive (Moe, 1995). The different assessment of the value of compromise in politics or the public sector is rooted in Moe's assumptions about preferences. The government and administration is responsible for representing the public interest and unions are exclusively concerned with promoting their self-interests. Thus, there is no mutual benefit to achieve through negotiations: any gain for unions is a loss for the public—a collusive spoil-sharing agreement.

Compromise may also be viewed sceptically by teachers' unions who view any agreements with governments to be concessions to ill-conceived reforms that harm public education and weaken teachers' unions (Compton & Weiner, 2008). Within this view, though compromising with government may appear pragmatic in the short-term by securing least-bad alternatives, it is an unacceptable compromise of the essential principles that the union should defend (Compton & Weiner, 2008).

Part of the disagreement over the value of compromise—is it right or wrong, good or bad, fair or unfair—lies in confusion about its meaning, as a wide range of actions and outcomes have been labelled 'compromise'. Day (1989) defines compromise as "an agreement between A and B to make mutual concessions in order to resolve a conflict between them" (p. 472). Implicit in Day's definition is the idea that concessions must be mutual, eliminating one of the common uses of the term in reference to 'unilateral concessions'. According to Day, this latter term is not compromise but 'appeasement'—"to pacify, propitiate, or satisfy demands" (*The Shorter Oxford Dictionary,* as cited in Day, 1989, p. 473).

Compromise—as distinct from exchange, punishment, compensation, or appeasement—involves both sides gaining something and both sides losing something (Day, 1989). According to Day, compromises are 'good'—instrumentally or prudentially—when they provide an enduring resolution to conflict. Compromises are only wrong if they violate moral rights—i.e. fairness—or have bad consequences (Day, 1989). Perhaps compromising with unions—gaining something and losing something—can be good *if* information is exchanged and learning throughout the negotiation process occurs. M. P. Follet (1979) identifies the difference between 'distributive' compromises, which split the difference between two positions, and 'integrative' compromises which are creative (as cited in Day, 1989). The latter form of compromise requires imagination and is only possible if compromise is approached in a cooperative rather than adversarial spirit. These ideas resonate with Walton and McKersie's (1965/1991) framework and are further developed below, but in terms of the inherent value of compromise, the key idea is that compromises can be efficiency enhancing if both sides are learning through the process and producing new, previously unknown, solutions. If it is *possible* that compromise can be good—resolving conflicts and producing fair and effective policy-solutions—the second question is, is compromise possible in the U.S. context? Is the widespread distrust of compromise and conflict-oriented approach towards unions empirically grounded or ideological?

The case studies in the US, consistent with previous research, demonstrated that cooperative relationships and collaborative agreements between teachers' unions and school districts *are* possible in the U.S. Though finding diversity across local unions, school districts, and the policies produced (Johnson, 2004; Johnson & Donaldson, 2006; Johnson & Kardos, 2000; Kerchner & Koppich, 1993, 1998; Koppich, 2006; McDonnell & Pascal, 1988), the link to relationship patterns and Walton and McKersie's (1965/1991) negotiation theory carries a number of significant implications beyond the narrow implications for the likelihood of PRP reform.

In confirming the salience of concertation and cooperation in the U.S. context, this research demonstrates that the conflict-ridden relationships of teachers' unions and policy-makers are not solely a product of the U.S. pluralist system in contrast to corporatist approaches (Visser & Himerijck, 1997). If cooperation were institutionally determined, it would be impossible in the U.S. However, its presence in some school districts confirms the salience of distinctions between *structures* of interest intermediation and *practices* of concertation (Schmitter, 1982). Several studies have confirmed the possibility of structurally undetermined cooperative agreements which depend on the exchange of information, and the nature of strategies, dialogue, and debate (Baccaro, 2003; Culpepper, 2002).

Thus, in addition to challenging Moe's assumptions of teachers' unions' preferences, power, and resulting pathways to reform, this research suggests that policy-makers in the U.S. have a choice in how they approach teachers' unions. Antagonism is not inevitable and the ideology of conflict is escapable. Furthermore, beyond being possible, cooperative approaches may be preferable to antagonism, and embracing the antagonistic, power-oriented path may have significant consequences that undermine long-term capacities for systemic reforms.

For those who would label teachers' unions 'terrorist organisations', these conclusions will be difficult to entertain, no less accept. However, Walton and McKersie's (1965/1991) framework of labour negotiations (Sections 2.2.1b and 3.4.4)—which identifies distributive, integrative, intraorganisational, and attitudinal bargaining as the four interrelated sub-processes in all negotiations—provides a foundation through which the potentially costly implications of unnecessarily conflict-oriented and aggressive engagement with teachers' unions can be traced. Walton and McKersie's framework suggests that cooperative, trust-based relationships may enable more effective problem-solving than individualistic or competitive approaches.

Though distributive bargaining, which is premised on zero-sum conflict, is the dominant conception of bargaining interactions, integrative bargaining provides an alternative. In integrative bargaining, parties can increase their joint gain through mutual problem-solving. Distributive bargaining is unavoidable in any situation in which the interests of the two parties are fundamentally opposed—completely non-overlapping. However, the degree to which bargaining problems are integrative or distributive is both empirical and ideological. Yes, in some situations in which the two parties, by definition, want different things. And in these situations, distributive conflict is inevitable. However, the degree to which problems are identified as integrative or distributive can also be ideological. If one party *assumes* that the issue is distributive, then it will be handled distributively. This is particularly important because integrative potential may not be immediately apparent: "…the task of the negotiators is to *discover* the high payoff possibilities. That is, the various alternatives and their potential benefits are not known to the parties before they engage in integrative bargaining" (Walton & McKersie 1965/1991, p. 17).

Because both parties operate with incomplete information in the bargaining process and because distributive bargaining tactics are "designed to obscure, not clarify, resistance points", these joint-gain maximizing solutions are impossible to discover within a distributive process. Thus, an errant assumption that joint benefits are impossible will preclude them from being realised:

> Either party can increase the payoffs by individual problem solving, but maximum results are available through joint problem solving. If the parties correctly assume that there are such potential benefits. (Walton & McKersie, 1965/1991, p. 17)

Walton and McKersie argue that the effectiveness of problem-solving (integrative bargaining) depends on a variety of factors: motivation, transparency and information, and trust (1965/1991, p. 139). Trust, in particular, is essential; absent trust, integrative problem-solving is unlikely to occur (Walton & McKersie, 1965/1991, p. 159). Distrust is a distraction to the problem-solving process, producing defensive behaviour, and can lead to deliberate miscommunication which directly hampers problem-solving. In contrast, trust encourages more transparent communication and supports experimentation (Walton & McKersie, 1965/1991).This is where the relationship pattern (attitudinal bargaining) is incredibly significant. Walton and McKersie propose, as a general rule, that in cooperative relationships, integrative bargaining is utilised to solve more problems (1965/1991, p. 203).

Furthermore, Culpepper (2002) emphasises the potential for unions to generate policy innovations—rather than merely assenting to reforms—in what he labels 'pacting', which "combines elements of powering and puzzling[212] in a context in which states do not have access to the information they need to enable their reforms to succeed" (p. 776). Furthermore, beyond simply a means of merely generating conflict-resolving 'compromises', Culpepper (2002) argues that negotiated reforms can provide an avenue for developing new and better solutions. He argues that unions have valuable information about their members' preferences and how to create policies that satisfy reform goals and can engender members' support:

> While opposition to reform is relatively easy to generate (since there are potential losers from welfare reform who are very aware of the consequences), only an organisation with

[212] Heclo (1974)

dialogic capacity of the nature discussed here will be able to develop a cognitive frame capable of changing the nature of debate and mobilizing a majority of its members. (Culpepper, 2002, p. 778)

Thus, in addition to making compromises possible, collaborative or cooperative relationships provide two additional benefits. First, they provide opportunities for teachers' to contribute their knowledge and experience to the decision-making process. Well-intentioned policy-makers may not have all of the information that they need to make good decisions, and teachers may have this information. Collaborative relationship may provide an avenue for teachers' professional knowledge to be expressed in productive, outcome-enhancing, and integrative ways. And second, more cooperative negotiation processes can improve implementation (Streshly & DeMitchell, 1994). The OECD argued in their "Teachers Matter" report that, though stakeholder groups should not have unchecked veto authority, their participation and buy-in is critical to successful reform implementation: "unless teachers are actively involved in policy formulation, and feel a sense of "ownership" of reform, it is unlikely that substantial changes will be successfully implemented" (OECD, 2005, p. 15). Cooperative relationships, which enable and encourage problem-solving through informal social relations, may provide a mechanism to avoid or diminish longer, more detailed, and more cumbersome contracts that often result in tedious and expensive legal arbitration—a process that is often a by-product of competitive, low-trust, patterns (Walton & McKersie, 1965/1991, p. 202-204).

In *Special Interests* (2011), Moe provides the evidence that confirms the significance of Culpepper's argument for education reform in the United States. According to Moe, his survey data demonstrates that when teachers' unions oppose PRP[213] and preserve seniority-based protections and tenure, they are simply reflecting teachers' preferences. Walking down Wisconsin's path—

[213] Moe's research mirrors previous findings of teachers' opposition to PRP both in the U.S. and internationally (Farrell & Morris, 2004; Ingvarson, Kleinhanz, & Wilkinson, 2007).

eliminating or weakening unions—is not going to change the fact that teachers oppose many education reforms. Teachers will continue to dislike PRP, they will continue to object to the growing emphasis on punitive accountability, and they will oppose what many perceive as rampant over-testing. Eliminating unions may leave policy-makers with an even more intractable problem. Because if, in contrast with common economics assumptions, reformers (management) do not have perfect information (Wilber, 1998), and could benefit from teachers' perspectives, integrative problem-solving will suffer from an absence of an organised voice for teachers. Because policy-makers depend on teachers to implement their reforms, widespread teacher dissatisfaction and lack of buy-in will undermine reform capacity. And if frustration with working conditions and accumulating reform mandates drives good teachers from the profession and deters future teachers from entering it, student learning opportunities will suffer.

9.4 Conclusion

It is too early to pronounce that teachers' unions in the United States always oppose particular reforms and use their power to block them. This may accurately describe some cases of reform, but ignores many 'exceptions'. Rather than being aberrations, these cases provide insights into how union-management relationships could be structured to avoid the politics of blocking and gridlock. If the research findings and their implications could be summarised into one key application, it would be this: There has been a growing trend amongst policy-makers and education reformers in the U.S. context to pursue opportunities to limit teachers' unions' power and to undermine their legitimacy. These efforts have been rooted in particular assumptions about teachers' unions, covering laws that lack empirical grounding. However, this research demonstrates that alternatives to these antagonistic approaches exist and that cooperative approaches may have advantages over power-centric alternatives. Furthermore, current efforts to weaken and delegitimise teachers' unions—both in discourse and in practice—may be doing long-term damage, eliminating the opportunity for trust-based, collaborative relationships to be established.

The hostility towards teachers' unions seems to be a conflict that has outgrown and outlived its usefulness. Aggressive stances towards unions that threaten their existence and rhetoric that corrodes any potential for collaboration or trust are unwise. Eliminating or overpowering unions is not the only path to securing reforms. Though neither universal nor even common, collaboration and cooperation, which could lead to creative integrative solutions, are possible in the United States. Anti-teachers' union strategies have been driven by assumptions and theories that are untenable. Moe's argument is, at best, a covering law with no insight into the causal processes of reform. The widespread dismissal of unions' potential to be productive reform partners appears to be grounded in ideology rather than evidence. Furthermore, by creating a false-binary between pro-union and anti-union, reformers eliminate the opportunity for the policies and principles of America's unions to be probed, questioned, and justly criticised. Teachers' unions in the United States may be a part of America's public education problems, but they are only one part of a system that is too busy locking horns over intractable, ideological conflict to critically listen and engage in creative and integrative problem-solving. Reformers may be winning 'victories' to weaken unions, but their chosen strategy is losing the war for real, meaningful changes that will provide better educational opportunities for all students.

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APPENDIX I: International Research Design and Data Collection

Table I.i links the analytic framework to strategies for data collection—outlining the contribution of interviews, informants, and documents to addressing the framework. Then Tables II.ii and II.iii provide a basic interview schedule[214] from Finland (I.ii) and Zürich (I.iii) and the relationships between interview schedules and the analytic framework.

TABLE I.i: Data Collection and Analysis

			Primary Resource	*Secondary Resource*
POLICY PROCESS (problem to outcome)		10. What was the reform/policy outcome?	Interviews	Documents
		11. What was the reform or decision-making process?	Interviews	Documents
INSTITUTIONS		12. What are the general patterns for education decision-/policy-making?	Secondary, Informants	Interviews
		13. Which set of actors* were involved in this particular decision-/policy-making process?	Interviews	Documents
		14. What institutional arrangements define the particular character of unionisation (particularly teachers) in this case?	Secondary Sources, Informants, Interviews	--
ACTORS	*PERCEPTIONS*	15. What were the actors'* perceptions of the policy problem or proposed policy? (*hypotheses, known empirical facts, idiosyncracies*)	Interviews	Documents (ZH)
	PREFERENCES	16. What were the actors'* preferences regarding the proposed policy? (*system maintenance, goal attainment*)	Interviews	Documents (ZH)
	INTERACTION ORIENTATION	17. What were the actors'* interaction orientations?	Interviews	--
	CAPACITY	18. How did the teachers' unions approach interest aggregation and representation? (*cognitive capacity, evaluative capacity*)	Interviews, Informants	--

[214] The questions would be tailored to the role/knowledge of the interview and evolved over time.

TABLE I.ii: Finland Interview schedule, Link to Analytic Framework

QUESTIONS	PROBES	LINK TO ANALYTIC FRAMEWORK
BACKGROUND How long have you been in your current position? What are your major responsibilities? What are the biggest challenges you face (have faced) in your current position? What are the biggest challenges in terms of teachers' compensation (present and future)? How would you describe (your organisation's) goals? What are the most significant challenges to achieving your goals?		Preferences (7)
REFORM OVERVIEW Describe the reform.		Policy Process (1, 2)
PROCESS OF DEVELOPMENT Can you talk about the evolution of the teachers' salary system? (PP2, PP1) ... *What would you describe as the key 'driver'/cause of these new components of the salary system?* ... *What impact have these changes had? How have they evolved over time?*		Policy Process (1, 2)
WHAT ACTORS WERE SIGNIFICANT? Who was involved in the negotiation/development process?		Institutions (4), Interaction Orientation (8)
TYPICAL NEGOTIATION PROCESS From your perspective (in particular role), describe the negotiation process? What happens when there is a disagreement at the negotiating table (generally)?		Institutions (3, 4, 5), Interaction Orientation (8)
RELATIONSHIPS What are the relationships like between (your organisation) and (other organisation(s))?		Interaction Orientation (8)
PERCEPTIONS AND PREFERENCES Why were these components needed? Or what 'problem' did they propose to solve? (APref6, APref7, PP1, PP2) ... *What evidence or models did (proponents) of (various components) point to as support for these policies?* ... *How did (opponents) respond to this evidence?* ...what did you want when it came to these developments? ... *When the changes were first proposed, what was (your/your organisation's) initial reaction?* ... *Is/was your organisation/your members happy with these changes?*		Preferences (6, 7) Capacity (9)

<u>CONFLICT AND COMPROMISE</u> What was your/their response at the negotiating table? How were the differences eventually resolved?	Preferences (7), Policy Process (2), Interaction Orientation (8)
<u>INTRAORGANISATIONAL DYNAMICS</u> How do you communicate with your members (union members/municipalities) to ensure that you are representing their interests well? ... *I can imagine that given the differences/diversity, municipalities/teachers may want very different things. How do you identify common goals in OVTES negotiations?* *... Who do you work with (at your organisation) to develop (your organisation's) goals and strategies regarding negotiations?*	Capacities (9)
Many have said that the OAJ is a very strong influence in education and if they oppose something it will not happen. Would you agree with this?	Institutions (5)
...what would you identify as the key to overcoming OAJ opposition in this instance?	Perceptions (6), Preferences (7), Policy Process (2)

TABLE I.iii: Interview schedule Linked to Analytic Framework (Zürich)

QUESTIONS	PROBES	LINK TO ANALYTIC FRAMEWORK
<u>BACKGROUND</u> How long have you been in your current position? What are your major responsibilities? What are the biggest challenges you face (have faced) in your current position? What are the biggest challenges in terms of teachers' compensation (present and future)? How would you describe (your organisation's) goals? What are the most significant challenges to achieving your goals?		Preferences (7)
<u>REFORM OVERVIEW</u> Describe the MAB system/reform.		Policy Process (1, 2)
<u>PROCESS OF DEVELOPMENT</u> Can you talk about the evolution of the MAB system? (PP2, PP1) ... *What would you describe as the key 'driver'/cause of the MAB reforms?* ... *What impact have these changes had? How have they evolved over time?*		Policy Process (1, 2)
<u>WHAT ACTORS WERE SIGNIFICANT?</u> Who was involved in the negotiation/development process?		Institutions (4), Interaction Orientation (8)
<u>TYPICAL NEGOTIATION PROCESS</u> From your perspective (in particular role), describe the negotiation process? What happens when there is a disagreement at the negotiating table (generally)?		Institutions (3, 4, 5), Interaction Orientation (8)
<u>RELATIONSHIPS</u> What are the relationships like between (your organisation) and (other organisation(s))?		Interaction Orientation (8)
<u>PERCEPTIONS AND PREFERENCES</u> Why were these components needed? Or what 'problem' did they propose to solve? (APref6, APref7, PP1, PP2) ... *What evidence or models did (proponents) of (various components) point to as support for these policies?* ... *How did (opponents) respond to this evidence?* ...what did you want when it came to these developments? ... *When the changes were first proposed, what was (your/your organisation's) initial reaction?* ... *Is/was your organisation/your members happy with these changes?*		Preferences (6, 7) Capacity (9)

CONFLICT AND COMPROMISE What was your/their response to opposition? How were the differences eventually resolved?	Preferences (7), Policy Process (2), Interaction Orientation (8)
INTRAORGANISATIONAL DYNAMICS How do you communicate with your members (union members/municipalities) to ensure that you are representing their interests well? ... *I can imagine that given the differences/diversity, municipalities/teachers may want very different things. How do you identify common goals for the ZLV?* ... *Who do you work with (at your organisation) to develop (your organisation's) goals and strategies regarding negotiations?*	Capacities (9)
Is the ZLV strong? How or why are they influential?	Institutions (5)
...what would you identify as the key to overcoming ZLV opposition in this instance?	Perceptions (6), Preferences (7), Policy Process (2)

APPENDIX II: Finland Interviews, Informant Contacts, and Interview schedule

Table II.i lists interviewees by code, describing their experience and key involvements. It also indicates follow-up, which occurred both in-person and via e-mail correspondence. Then, Table II.ii summarises the number and types of informants who contributed background and contextual knowledge of the Finnish case. Table II.iii displays interviewees by 'function' or 'role'—outlining how the individuals were involved in various stages of the bargaining process and demonstrating the adequate coverage of interviewee perspectives.

TABLE II.i: Interviews

	DESCRIPTION	FOLLOW-UP?
AKAVA.Negotiator	Worked as a lawyer at AKAVA for 28 years; Chief negotiator for AKAVA from 2000-2009.	
KT.Social_Scientist	Worked at KT from 2000 and was involved in the design and implementation of the KUNPAS study as well as negotiations from 2000-present.	X
KT.Negotiator.1*	Retired from KT in 2002. Served as one of the lead negotiators in the education sector.	
KT.Negotiator.2*	Negotiator in the education sector 2002-present.	
Local_A.Employer	Responsible for Basic Education in Local A. No longer conducts negotiations with the union (that function has been moved to Human Resources) but conducted negotiations in 2007 when reforms were implemented.	
Local_A.Shop_Steward	Chief negotiator for Local A union.	
Local_A.Union_Leader	Serves on Valtuusto and the Executive Council as a representative of Local A	
Local_B.Employer	Negotiator for Local B. (Human Resources Department)	
Local_B.President	Local B President, but also serves on Valtuusto, the Executive Council, and holds a number of other leadership positions.	X
Local_B.Shop_Steward	One of two negotiators for Local B union since 2009. Served as shop steward previously	
Local_C.Shop_Steward	Negotiator for Local C union. Has served as shop steward from 2011.	
Local_C.Union_Leader	Has been involved in the local union for twenty years. Serves on Valtuusto. Is a principal.	

OAJ.President	Union president since 2010; worked as a manager at the union since 2007	
OAJ.Negotiator.1	Has worked as a negotiator at OAJ since 2002; Chief Shop steward (*Neuvottelupäällikkö)* since 2010	
OAJ.Negotiator.2	Works at the central organisation; supports local shop stewards in decentralised negotiations	
OAJ.Social_Scientist	Worked at the OAJ since 2000. Counterpart to KT.Social_Scientist	X

TABLE II.ii: Informants

Academic Researchers	7
National Board of Education	2
KT	1
OAJ	2
Local*	3
School Visits	4
TOTAL	**19**

*Principal, Shop Steward, Employer

TABLE II.iii: Interviewee by Function

			AKAVA Board	TUPO Negotiations	Executive Board	Valtuusto	Municipal Sector Negotiation	OVTES	Individual Municipal Negotiations
UNION		AKAVA NEGOTIATOR	X	X					
UNION		OAJ PRESIDENT	X		X	X	X	X*	
UNION	CENTRAL OAJ STAFF	*OAJ.Negotiator.1*						X	X*
UNION	CENTRAL OAJ STAFF	*OAJ.Social_Scientist*						X	
UNION	CENTRAL OAJ STAFF	*OAJ.Negotiator.2*						X*	X
UNION	LOCAL UNION LEADERS and SHOP STEWARDS	*Local_B.President*			X	X			X*
UNION	LOCAL UNION LEADERS and SHOP STEWARDS	*Local_A.Union_Leader*			X	X			
UNION	LOCAL UNION LEADERS and SHOP STEWARDS	*Local_A.Shop_Steward*				X			X
UNION	LOCAL UNION LEADERS and SHOP STEWARDS	*Local_C.Union_Leader*				X			
UNION	LOCAL UNION LEADERS and SHOP STEWARDS	*Local_B.Shop_Steward*							X
UNION	LOCAL UNION LEADERS and SHOP STEWARDS	*Local_C.Shop_Steward*							X
EMPLOYER	KT	*KT.Negotiator.1**					X	X	
EMPLOYER	KT	*KT.Negotiator.2**					X	X	
EMPLOYER	KT	*KT.Social_Scientist*						X	
EMPLOYER	LOCAL EMP.	*Local_A.Employer*							X
EMPLOYER	LOCAL EMP.	*Local_B.Employer*							X

II.ii: Case History and Context

The territory that constitutes modern-day Finland was ruled by both Sweden and Russia prior to gaining its independence on 6 December 1917. Finland's western social and religious influences can be traced to Sweden, which annexed Finland during the crusades before surrendering the territory to Russia in 1805. Though a Grand Duchy of Russia from 1809 to 1917, Finland was largely autonomous and maintained the legislative and social system of Sweden[215]. Finland gained independence after the Russian Revolution in 1917 and established its constitution in 1919 which was modified by the Parliament Act in 1928. Finland's first important historical

[215] The Finnish Parliament, for example, traces its roots back to the establishment of the Diet in 1435 under Swedish rule; many of the political institutions are identified as mirroring Sweden's (Waris 1964).

narrative is of a small nation struggling against various external and internal threats first to claim its independence and then to maintain its security and promote its flourishing. The narrative of struggle is woven throughout Finland's independence movements, the military conflicts of the first half of the 20th century, and its industrialisation and modernisation in the post-war era. The 'struggle narrative' is essential for understanding the development of Finnish unity and emphasis on consensus.

Some have argued that until relatively recently, Finland has been a relatively 'closed nation', maintaining a policy of non-alliance and isolationism—as evidenced by its neutrality through the Cold War and its customs barriers, currency regulation, import restrictions, and immigration restrictions through the 1980s (Rinne, Kivirauma, & Simola, 2002). However, it is important to acknowledge Finland's unique—and at times challenging—position as the gateway between powerful neighbours in the East and West. Furthermore, Finland must be understood as a relatively young nation whose rapid 20th century evolution and development is informed by centuries of foreign rule—first by Sweden until 1807 and then by Russia until 1917.

The desire for independence was first manifested in the period of 'passive resistance' from 1899-1917, Finnish national sentiments were evident in folklore, philosophy, literature and music, promoted by the Fennoman movement[216]. Similarly, education was seen as critical to cultural independence of the Finnish people when political independence was not yet in sight (Waris, 1964).

In 1917, Finland declared its independence from Russia. Immediately after gaining independence, Finland experienced a short but divisive civil war between the 'reds' (Bolsheviks) and the 'whites' (proletariat and conservative rural population). Though the war was over within a

[216] Significant milestones of the Fennoman movement include the publication of the Kalevala and Finnish language achieving equal legal status with Sweden in 1892. Members of the movement were also a significant promoter of the significance of education for Finland's cultural and political independence: "The stories of the Kalevala tell about strong individuals whose power was based on mental abilities and wisdom, not on physical strength" (Niemi 2012).

year, it left the young nation deeply divided creating deep political polarisation which hampered the development of the labour movement (Section 5.4.1) and produced short-lived governing coalitions and political instability through the 1940s (Section 5.3.1b).

Though Finland is often considered a consensus-based society, any consensus-orientation is a fairly recent development. In Finland, it seems that necessity was the mother of consensus, as mounting external threats forced actors to overcome political and ideological divisions (Arter 1987, p. 225). The young nation was first threatened in the Winter War of 1939-1940, and responded with solidarity and Finnish *sisu*. Only a year later, Finland found itself at war again, in what Finns often label the 'war of continuation'[217], first with Russia as a co-belligerent with Nazi Germany and then against German troops in Lapland.

Post-World War II, Finland's predominantly agrarian economy was saddled with significant war debt as well as the task of resettling 12% of its population who had been displaced from Karelia, after losing 10% of its land, 13% of its wealth, and 20% of its rail system (Pesonen & Riihinen 2002). In addition to ceding Karelia to the USSR, Finland also faced heavy war reparations; in 1945, reparations accounted for 61% of exports and 6.4% of GDP (Pesonen & Riihinen 2002). However, by the 1950s, Finland had paid off its reparations—the only country to do so. In 1952, the Summer Olympics were hosted in Helsinki, a celebration and dawning period of optimism for a country that had experienced so much adversity.

The 1950s through the 1970s was a period of rapid growth and change in Finland both economically, as Finland transitioned from an agrarian to a modern, industrial economy, and politically. As late as the 1960s, Finland lagged behind the rest of Europe in terms of industrialisation as well as economic growth. Industrialisation happened later and faster in Finland

[217217] Heikki Waris' characterisation of the Winter War of 1939-1940 and the 'war of continuation' from 1941-1944 in his introduction to the English translation of Pekka Kussi's *Social Policy for the Sixties: A Plan for Finland* is insightful; Waris labels both engagements the 'wars of defense' "against the overwhelming numbers and military power of the Soviet Union" (Waris 1964, p. 16).

than the rest of Europe. The number of Finn's working in agriculture declined from 50% to 15% in 26 years (1946-1972) compared with 50 years in Sweden (1909-1959) and 80 years in Norway (1882-1963) (Pesonen & Riihinen 2002). From 1950-1970; one-third of the population moved to the cities and they experienced a marked increase in the material standard of living (Ahonen 2002).

The significant challenges and changes of the post-war era also promoted the rapid development and institutionalisation of the Finnish welfare state. As the structure of the Finnish economy was changing, so was the Finnish state as the post-war era saw Finland establish a "Nordic Model" of welfare, marked by a view of the welfare state and social rights as inherent to citizenship and the regulation of working life issues through autonomous collective agreements (Kettunen 2001). Pekka Kussi, in his visionary text which shaped the formation of the welfare state, *Social Policy for the Sixties* (1964), argued that if Finland wanted to survive between Sweden and the USSR—a tension of two political systems as well as two dynamic economies—then it was "doomed to grow". The development of the welfare state, and its promise of comprehensive and equal services for all citizens, fuelled a massive growth of the state and central planning. The 1970s has been called the height of the planning society as well as the decade of consensus—all oriented at the achievement of a socially just society (Ahonen 2002). The 1970s marked the beginning of Finland's Golden Age of stability, economic growth, and low unemployment which lasted through the end of the 1980s.

However, the 1990s was a pivotal decade for Finland, as it was plunged into a severe recession which lasted from 1991-1994. Finland's economic struggles were even more severe than the rest of the world as its recession was exacerbated by the fall of the USSR, a significant market for Finnish goods[218]. The financial challenges combined with political movements that had begun in

[218] In the 1980s, 25% of Finnish exports went to the USSR (Economist 2000, p. 21, cit. in Ornston & Rehn 2006). Though this system of bilateral trade contributed to industrialisation in Finland, it also propped up internationally uncompetitive industries in Finland (Ornston & Rehn 2006). After the fall of the Soviet Union, exports to Russia collapsed to 2.5% of Finland's export output exacerbating the financial crisis and deepening the recession: GNP decreased by 7%, unemployment rose from 3% to

the late 1980s resulted in significant decentralisation as some of the control of the central planning state which was necessary to build comprehensive welfare services was returned to municipalities.

II.iii: Supporting Materials: Local Experiences of the 'New Salary System'

Sections II.iii.a and II.iii.b provide an overview of locally-designed systems (HL/TVA) in Local_A and Local_B.

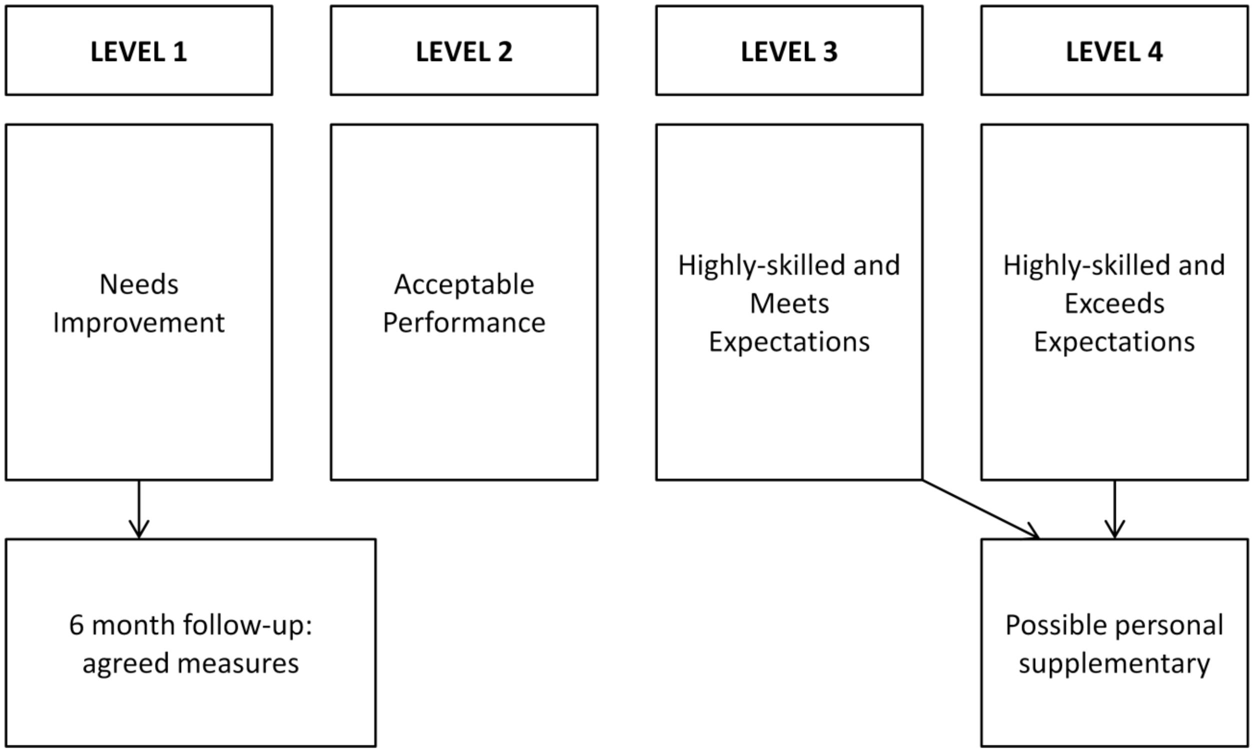
II.iii.a: Local_A

In Local_A, the 'personal allowance' is a component of what the municipality's incentive pay system "which aims to improve performance" and to provide tools for effective management. The 'TSA' system (HL) applies to all employees in Local_A.

All individuals in the city must have an annual evaluation. Though there are some general criteria, there are sector-specific criteria for major occupation groups, like teachers. On the basis of this evaluation, teachers meet annually with their principal and are placed into four levels (see Figure I.xii). Individuals classified as 'needs improvement' (Level 1) are given professional development and improvement plans; those who 'meet' (Level 3) or 'exceed expectations' (Level 4) are eligible for a bonus.

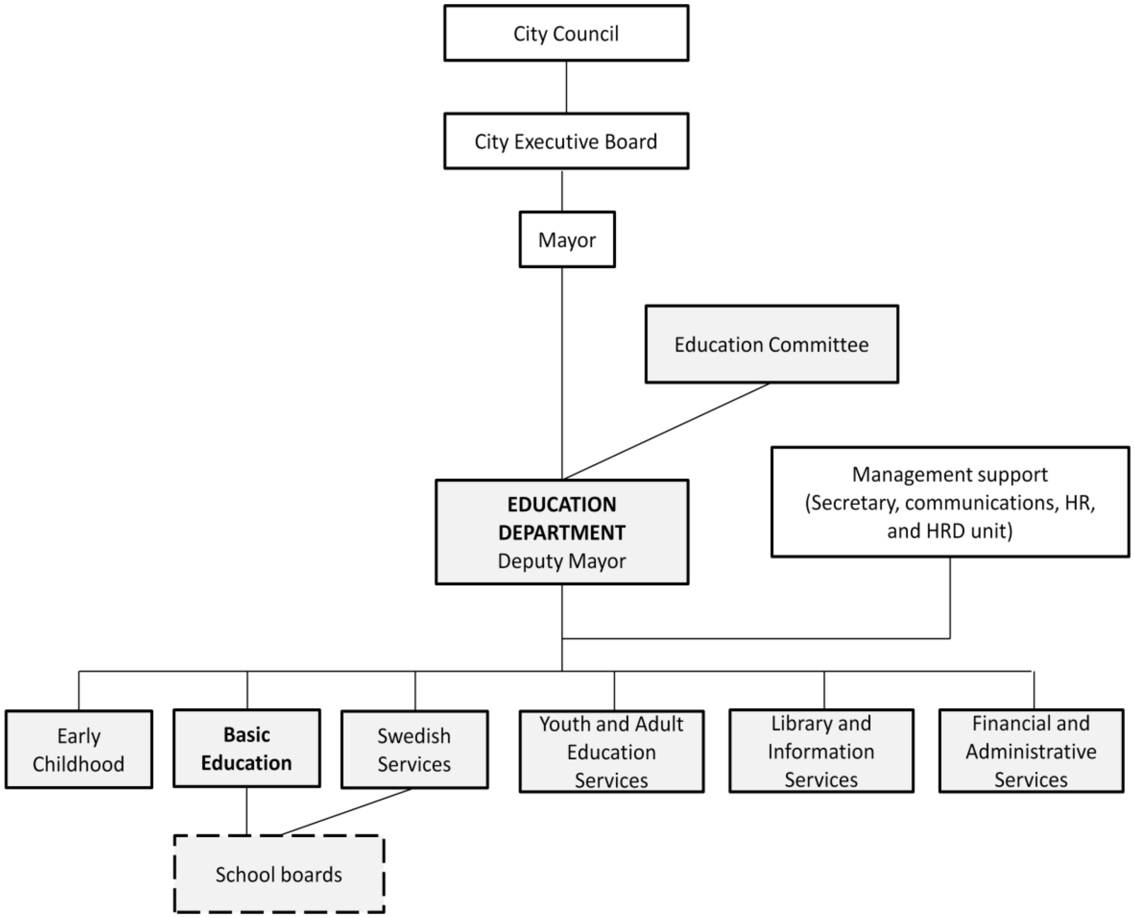
FIGURE I.xii: LOCAL_A TSA

16%, and youth unemployment[218] increased from 9% to 34% (Ornston & Rehn 2006; Statistics of Finland, 2000, as cited in Simola, Rinne, & Kivirauma, 2002).



However, the number of individuals who receive the personal bonuses is constrained by the amount of money available each year; typically there is not enough money for all individuals classified at Level 3 and Level 4 to receive bonuses. So, the school principal proposes the teachers he or she believes should receive a personal bonus and then these recommendations are evaluated by Local_A.Employer and then by his boss, the Deputy Mayor of Education (see Organisational Chart).

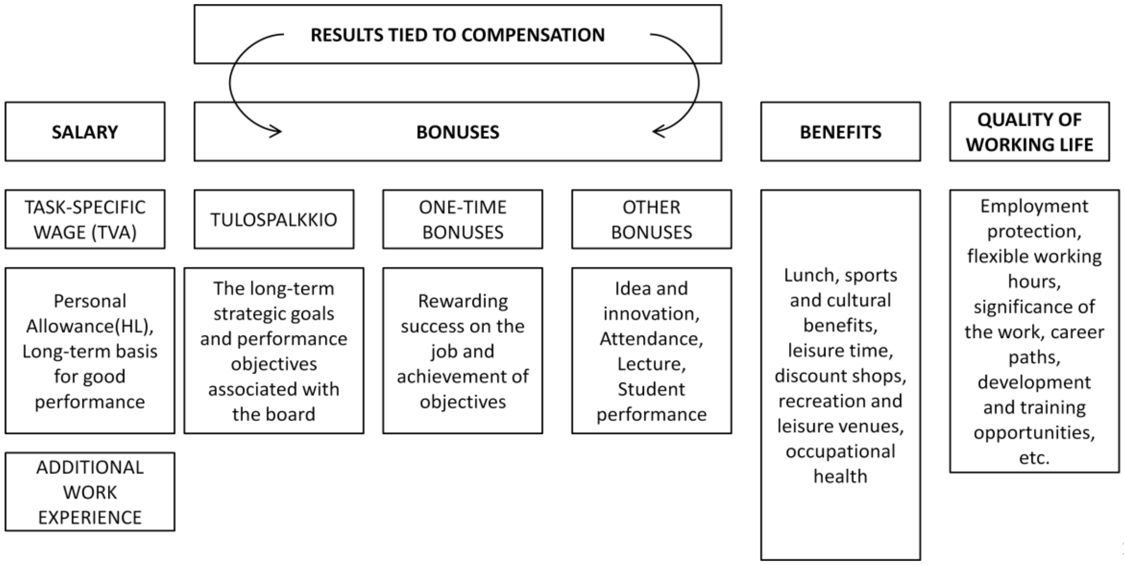
FIGURE II.x: Organisational Chart, Local_A



II.iii.b: Local_B

Figure II.x provides an overview of how TVA and HL fit into the broader compensation and rewards system in Local_B. Figure I.xiii provides an overview of the compensation system in Local_B. Both TVA and HL components were applied to other employees in Local_B prior to 2007. Figure I.xiv describes the teacher groups who received TVA compensation from 2007-2011. It also provides supporting evidence of the shift from TVA towards HL compensation. The number of teacher groups receiving TVA declined dramatically through 2011, consistent with the idea that municipalities had ‘addressed the imbalances’.

FIGURE I.xiii: Reward System for All Employees in Municipality B



[219]

TABLE I.xiv: LOCAL_B TVA 2007-2011[220]

Basic Education Groups	2007	2008	2009	2010	2011
Special class teachers	X		X		
Special needs teachers	X	X			
Guidance counselors	X	X	X		
Rectors	X		X		
Leaders of small schools		X	X		
Assistant principals					
School-based development¯		X*	X*		
Homeroom/classroom				X*	
Eligible class and subject teachers					X

*amount per school

¯school-based development was awarded to three basic education schools

[219] Internal document from Local_B
[220] Internal document from Local_B

APPENDIX III: Zürich Interviews, Informant Contacts, and Interview schedule

Table III.i lists interviewees by code, describing their experience and key involvements. It also indicates follow-up, which occurred both in-person and via e-mail correspondence. Then, Table III.ii summarises the number and types of informants who contributed background and contextual knowledge of the Swiss case. Table III.iii displays interviewees by 'function' or 'role'—outlining how the individuals were involved in various stages of the reform process and demonstrating the adequate coverage of interviewee perspectives.

TABLE III.i: Interviews

	DESCRIPTION	FOLLOW-UP?
Buschor, Ernst	Member of the Executive Council from 1993 Education Director from 1995 through the early 2000's	
Bertschi, Jean-Jacques	Member of Parliament; Member of the 1990 Working Group that produced the Rose Book; Expert designer of the MAB system	X
Wendelspiess, Martin	Head of the VSA early 1990s-present; collaborator on 1990 and 1997 developments; responsible for implementation	X
LCH.Leader	One of the founders of LCH in 1989; Head of the Pedagogical Institute through the 1990s; developer of the FQS system	
ZLV.Leader	Current President. Member of the union since 1990s	X
SekZH.Leader*	Leader 1994-Present	

**provided written response in German*

TABLE III.ii: INFORMANTS

Academic Researchers	12
Teacher	1
School Visit	1
TOTAL	**14**

TABLE III.x: Role-by-Function

	1990 Working Group	1996 Re-initiation	Parliamentary Debate and Response	External Consultation	1999 Implementation	Subsequent Development
Buschor		X	X	X	X	X
Bertschi	X		X	X	X	
Wendelspiess	X	X		X	X	X
LCH.Leader	(obs)	(obs)				
ZLV.Leader					X*	X
SekZH.Leader					X	X

III.ii: Case History and Context

Switzerland—as a federation of 25[221] previously-sovereign cantons[222]—was established when its federal constitution was drafted and ratified in 1848. The federation replaced the previous relationship between the 25 cantons—a confederation of sovereign states which were party to an 'eternal treaty' of collective security by mutual assistance and participated in the Conference of Delegates—that had been in place since 1816. Because delegates were bound by the instructions of their respective cantons, agreement was difficult within the conference. The creation of a common national government was highly contested amongst the religiously and linguistically diverse Swiss people. In addition to a speaking four languages—German, French, Italian, and Romansch, the people of the 25 cantons were divided between largely-rural conservative Catholics and predominantly-urban radical Protestants. The small cantons whose citizens would be outnumbered in a unified Switzerland—Catholics and non-German speakers—were staunchly opposed to forfeiting their autonomy to a central governing body.

The radical Protestants, who promoted unification, only succeeded after a brief civil war, the Sonderbund War—the last of four religious wars (Linder & Vatter, 2001; Immergut, 1992)—which began when the Catholics formed a separatist league in 1847 and after several concessions to the Catholic minority. According to Wolf Linder, the creation of the Swiss federation was "an institutional compromise between the conservatives (Catholics), who were hostile to centralisation,

[221] Now 26
[222] Or half-cantons

and the radicals (liberals/Protestants), who favoured a federal government strong enough to make the necessary decisions in the common interest (1998, p. 39). These dynamics are more than mere context. They are the forces that informed Switzerland's institutions—federalism, subsidiarity, and direct democracy.

The Canton of Zürich, a 1,729 km^2 area in which 1,179,044 citizens reside, entered the confederation in 1351 and ratified its constitution in 1869. The canton is divided into 11 administrative and judicial districts and 18 electoral districts and has 171 communities. Its capital, Zürich, has a population of 365,042 (Vatter, 2000)[223]. The institutions created by the 1848 constitution and the defining aspects of both the polities of Switzerland generally and the Canton of Zürich in particular are: federalism, subsidiarity, and direct democracy (Scharpf, 1988; Hega, 2000).

Switzerland's economic prosperity post-World War II—experiencing consistent growth and full employment with less than 1% unemployment through the 1970s and 1980s—may have relieved pressure on labour relations and contributed to the 'industrial peace' for which Switzerland has come to be known. However, the tables turned in the 1990s: GDP decreased for three consecutive years and unemployment increased from 1% in 1990 to 5% in 1994 (Mach & Oesch, 2003). In addition to reversals in GDP trends, the dramatic increase in unemployment (Table III.iv) was also fuelled by tertiarisation, feminisation, and shifts in the relative size of the foreign labour supply (Mach & Oesch, 2003).

TABLE III.iv: Economic growth, civilian employment and unemployment during the 1990s[224]

	1990	**1991**	**1992**	**1993**	**1994**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Real GDP growth in %	3,7	-0,8	-0,1	-0,5	0,5	0,5	0,3	1,7	2,4	1,6	3,0
Civilian employment in 1.000*	3.821	3.891	3.831	3.802	3.789	3.800	3.813	3.802	3.848	3.873	3.915

[223] Though Zürich can refer to both a canton and a city, in this dissertation, Zürich will refer to the Canton unless otherwise specified.
[224] Mach & Oesch 2003, p. 162

Unemployment rate in %	0,5	1,1	2,5	4,5	4,7	4,2	4,7	5,2	3,9	2,7	2,0

**corresponds to civilian employment minus the unemployed*
Source: Swiss National Bank, Bulletin mensuel des statistiques economiqes; OECD (2000): Labour force statistics, Paris.

In addition to the impact of the labour market conditions of the 1990s on the labour movement—as jobs shifted from manual, unionised jobs, to the service sector—the recession created new pressures for governments in the provision of public services as they faced the dawn of the age of austerity. Education budgets were not immune to these forces. Particularly germane to this research is the fact that, in the Canton of Zürich through the 1990s, teachers' salaries were frozen as the recession made it economically and politically difficult to give teachers raises.

These acute fiscal pressures may have facilitated the emergence and spread of an international trend in Switzerland in the 1990s—'new public management' (NPM). It is worth reiterating what was developed in Section 2.2: that there is no unifying or consistent doctrine of 'new public management', but rather a diversity of strategies and reforms that share a common language or orientation but that have been mobilised by different forces and with different goals (Hernes, 2005; Reber, 2007; Schedler, 2003a; Schedler, 2003b).

III.iii: Supporting Materials

III.iii.a: National Government Institutions

The national legislative power features a bicameral legislature—the Federal Assembly comprised of the National Council and the Council of States. The National Council has 200 national representatives elected using proportional representation[225]; the number of cantonal representatives depends on population size. The Council of States has 46 elected representatives—two from each canton. Legislation and constitutional amendments can be initiated in either legislature, but must be passed by a majority of representatives in *both*, which theoretically serves

[225] Which was implemented in 1918.

to balance the principles of democracy—one vote one person—and federalism (Linder 1998). Further strengthening the power of cantons, the right of all cantons to submit legislation or amendments is protected through the 'cantonal initiative'.

The Federal Council is a seven member executive committee elected by the Federal Assembly. Since 1959, the composition of the Federal Council has been governed by an unspoken rule called the 'magic formula'; two radicals (right party), two Christian-democrats, two Social Democrats, and one member of the Swiss People's party have comprised the Federal Council with only one exception. In addition to the magic formula, quotas for rules informally ensure linguistic diversity. The members of the Federal Council each serve as the head of government departments (Linder 1998, p. 9).

These federal institutions—particularly the permanent institutionalisation of a broad-governing coalition—create significant incentives for consensus-based politics and power-sharing.

III.iii.b: The MAB System and Development

According to Wendelspiess and Bertschi, in the original system, teachers' evaluation was based on four main components—the *beobachtengsbericht*, a report based on observations of lessons; the *erkundengsbericht*, an interview; the *dossier,* a written document from the teacher; and an optional self-declaration or *selbst-beurteilung* which was entirely for teachers' self-reflection.

After the evaluators observed lessons and conducted their interview, there was an 'integration meeting' (*integrationssitzung*) where the individual evaluators attempted to reach an agreement about what score a teacher should receive. Because the lesson observations are conducted by multiple individuals and are based on a basic rubric, there may be disagreements which the integration attempts to resolve. If necessary, more lessons could be observed to resolve any disputes between evaluators.

The MAB system that was eventually implemented reflects some modifications from Bertschi's proposal that was submitted for consultation in 1998. The dossier—which gave the evaluated teacher the opportunity to "clarify(y) their position on central questions of pedagogy and (to) freely record their intentions, plans and educational goals" (Bildungsdirektion Kanton Zürich, 2011b)—was added based on feedback to try to address teachers' concerns that their work was too complex and couldn't be evaluated in this way (Wendelspiess, Bertschi).

Each teacher is evaluated every four years.[226][227] Though the Education Directorate designed the MAB system and oversees its implementation, school committees are responsible for executing the evaluations.

The introduction of principals/school leaders prompted further changes to the MAB system in 2011 after a period of consultation. The "time-consuming compilation of the dossier" was changed because it was no longer necessary due to the closer contact and more direct communication between teachers and administrators (Bildungsdirektion Kanton Zürich, 2011b). Only in schools where the evaluation does not involve the principal, is the dossier—in a simplified form—still used.

With this simplification, the formal integration meeting was also abandoned. The number of lessons observed was also reduced to a minimum of three lessons visited by two members of the evaluation team (Bildungsdirektion Kanton Zürich, 2011b).

These changes reflect fundamental tensions that shaped both the original formulation of the MAB system as well as its subsequent development. In addition to fundamental questions about the nature of evaluating teachers' work (can 'effectiveness' be measured?) and resistance to tying teachers' salaries to evaluations, there were a number of more specific design-related

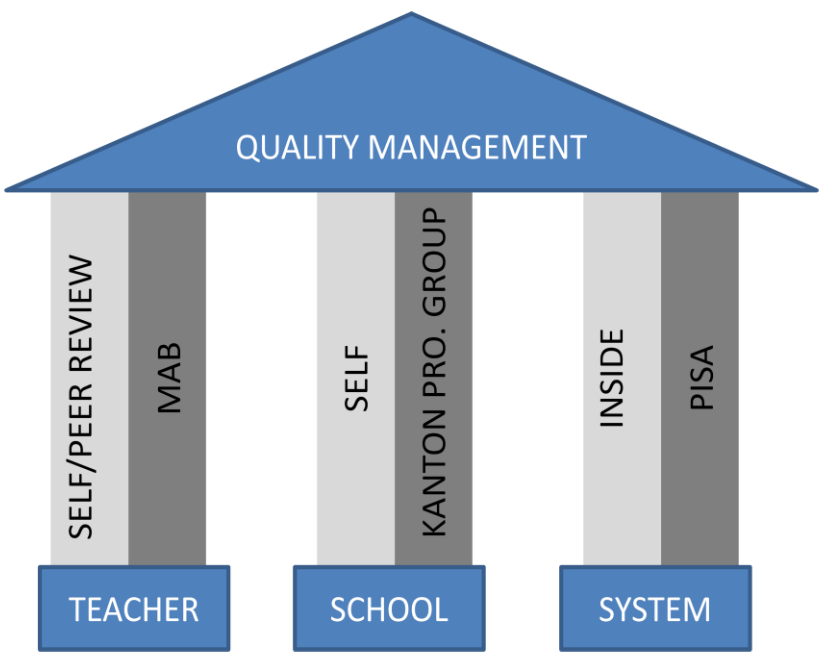
[226] Evaluating teachers every four years is in part due to the work-intensive nature of the evaluations.
[227] Beginning teachers do not have an MAB in their first three years. This is part of their 'probationary' period. It is also much easier to fire probationary teachers.

disagreements related to: the role of lay evaluators, the workload, and the number of classifications and their consequences for teachers.

III.iii.c: MAB as Part of the 'Quality Management' (NPM) Context

The debates and tensions about MAB reflect competing visions about the role of the MAB system in both compensation as well as quality management. Though there is a perception amongst some teachers and their unions that the MAB is exclusively about compensation, according to the designers of the system, the MAB—as a part of the broader quality management framework and ideology—is also about monitoring and ensuring quality in schools. Figure Y.Y reflects a diagram drawn by Wendelspiess and Bertschi to illustrate the role of MAB in broader aims of quality management. There are three pillars of quality management—individual, school, and system—and each is evaluated externally (dark grey) and internally (light grey).

FIGURE III.v: Quality Management in the Canton of Zürich



Though changing teachers' compensation—and moving to a system that is closer to the private sector—was one political motivation of the new system, Bertschi said that there was another important motivation. He argued that the performance, personality, and engagement of the teacher are the most important influences—after the family—on the educational system. Therefore, "if we have the system that costs some billion every year and we want to have a look at how it works, then we have to see the teacher" (Bertschi). Bertschi argued that the MAB:

> "is a good basis to communicate, to discuss, even to discuss critical points. Because that is one of the problems one never speaks about—'we are only here to be social to the teachers'. (No) We have to be social to the children as well. If a teacher is not apt for his profession, and he has 20 classes over his life—it's not good…we wanted, really, every teacher [to think] from time to time about what he is doing and learn to accept a view from outside."

However, consistent with the role of internal and external assessment incorporated in Figure III.vi, the MAB should—according to Bertschi—only be conceptualised as one component of the quality management process. Thus, Bertschi distinguished between the concepts of 'assessment' and 'promotion' (or development). Though the MAB system may make some contributions in teachers' development by providing external feedback, its main goal—according to Bertschi—is to *assess*. This is not to suggest that assessment is more important than development, but simply that development is not the *primary* aim of the MAB system.

FIGURE III.vi: Interplay Between Formative and Summative Assessment[228]

[228] Bildungsdirektion Kanton Zürich, 2011c, p. 4

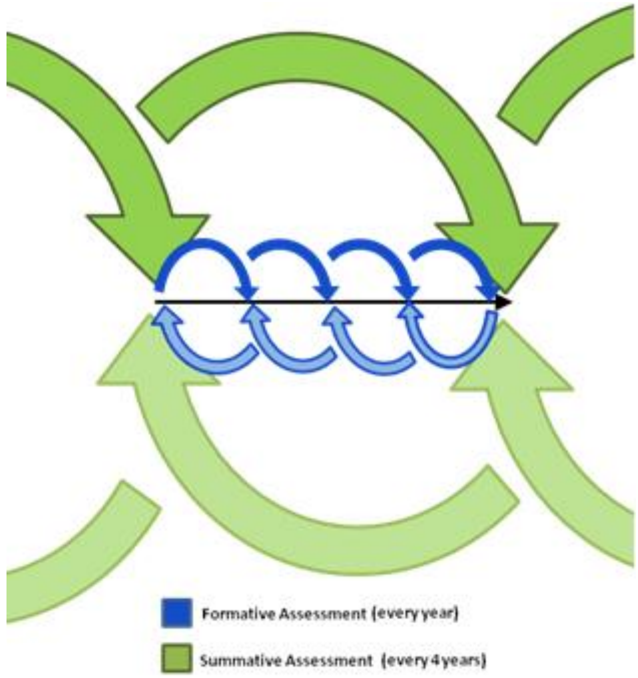


Figure III.vi reflects the Education Directorate's view of the interplay between assessment and development (Bildungsdirektion Kanton Zürich, 2011a). The assessment function of the MAB (summative) occurs every four years, but should be supplemented by an annual formative assessment conducted internally. Thus, the administration argued that the salary element is only *one* component of the evaluation. The broader emphasis is on personal development and feedback (Regierungsrates des Kantons des Zürich, 2001).

APPENDIX IV: STATE AND DISTRICT SELECTION

IV.i Overview: Texas

IV.i.a Texas Policy Context: DATE

In 2006, the Texas Legislature passed House Bill 1 which included appropriating $147.5 million for the District Awards for Teacher Excellence (DATE) for the 2008-2009 school year. In the programme's first year, 203 districts participated—16% of state districts. It was the last in a long line of compensation reform programmes in Texas beginning with career ladder programmes in the 1980s. The grant was non-competitive and was awarded to all school districts who complied with the timeline and requirements. The amount of each grant was determined by a given district's enrolment in the 2006-2007 school year. Districts had to use 60% of funds for incentives for high-performing teachers. Initially, it appeared that districts had to contribute a 15% match to the grant in the first year, though this was revised. The criteria for awarding bonuses in the DATE programme were less prescriptive than those used in Florida's MAP plan—as outlined below. The only requirement was that teachers positively impact student academic improvement, growth, *or* achievement and that the criteria used by each district to determine this 'positive impact' were quantifiable, reliable, valid, and objective. Plans could be applied to individuals, teams, or entire schools.

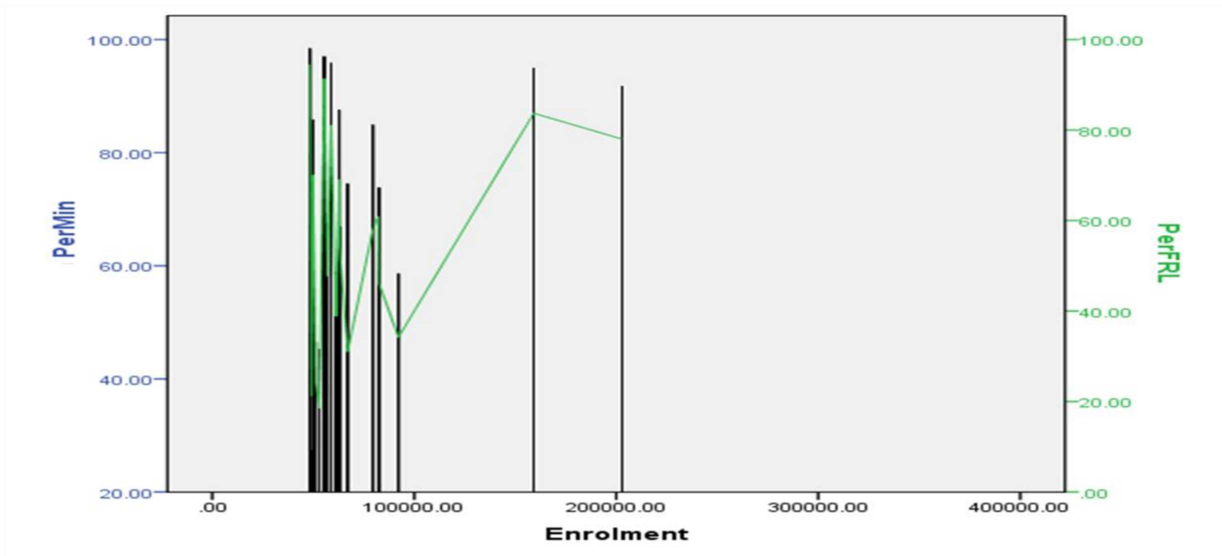
In 2009, the Texas legislature renewed the DATE grant[229], providing $397 million for the 2009-2010 and 2010-2011 school years (Texas Education Agency, 2011b). The fore-runner to DATE was the Teacher Educator Excellence Grant (TEEG), which targeted awards to low-income schools. Several of the districts had prior experience with TEEG.

[229] Referred to as 'DATE II' by District.6TX.

IV.i.b Texas Districts Population Sample

The set of districts from which the sample districts were selected for the state of Texas, was the 18 districts that were amongst the 100 largest districts in the United States for the 2006-2007 school year[230] (National Center for Education Statistics, 2008). The characteristics—enrolment, percentage of students economically disadvantaged[231], and percentage of non-white students[232]—of these 18 districts are represented in Chart IV.i.

CHART IV.i: Nation's 100 Largest School Districts, Texas[233]



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[230] This year was selected because the first state PRP policies investigated in this thesis (MAP, which was preceded by STAR and DATE) were passed during the 2006-2007 school year.

[231] Represented by those students eligible for Free or Reduced Price Lunch (FRL) a federal meal subsidy program

[232] Or 'minority students'—even though in some districts, a non-white sub-group is *not* the mathematical minority.

[233] In Chart IV.i and Table IV.ii, enrolment data comes from the National Center for Education Statistics (2008). The percentage of the student population that is non-white (PerMin) and the percentage of students economically disadvantaged (PerFRL) comes from the Texas Education Agency (2011a). All data is based on the 2006-2007 school year.

TABLE IV.ii: Statistics, Texas Districts

		Enrolment	PerMin	PerFRL
N	Valid	18	18	18
	Missing	0	0	0
Mean		76402	73.7944	55.7111
Median		62056	74.1500	56.1500
Std. Deviation		4.08833E4	2.04593E1	2.44909E1
Variance		1.671E9	419.582	599.802
Range		155000	71.10	75.90
Minimum		48334	27.30	19.60
Maximum		203000	99.40	94.50
Percentiles	25	52548	59.8250	33.4000
	50	62056	74.1500	56.1500
	75	82252	92.5000	79.7750

Enrolment

As outlined in Table IV.ii, the smallest district enrols 48,8334 students, the largest enrols 203,000 and the mean of the 18 districts is 76,402 students. Chart IV.i shows that sixteen of the eighteen districts enrol fewer than 100,000 students, with two districts that are almost twice as large as the third largest. The adjusted mean for the cluster of sixteen districts below 100,000 students is 63,695.

Percent Economically Disadvantaged and Minority Students

As evidenced by Chart IV.i, within the largest eighteen school districts in the state of Texas, there is not a simple or direct relationship between the enrolment in the district and the percentage of economically disadvantaged or minority students. The percentage of economically disadvantaged students ranges from 19.6-94.5% with a mean of 55.7% and a standard deviation of 24.5%. The percentage of minority students ranges from 27.3-99.4% with a mean of 73.8% and a standard deviation of 20.5%.

IV.ii OVERVIEW: Florida

IV.ii.a Florida Policy Context: MAP

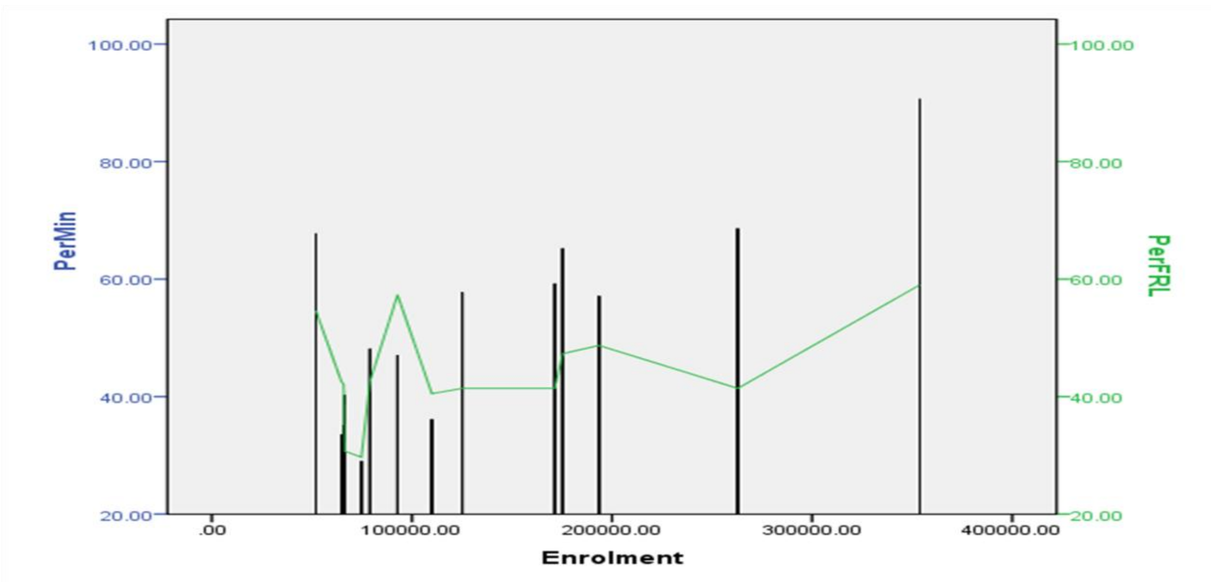
Florida's development of its state PRP programme has been an on-going process since 2001, introducing three plans over an eight year period. Each revision replaced an unpopular reform with a slightly less unpopular version. E-Comp was passed in 2001, replaced by the Special Teachers are Rewarded (STAR) programme in 2006, and then by the Merit Award Programme (MAP) in 2007. The plans have been controversial and unpopular with many teachers, their unions, and district administration (Johnson & Papay 2009).

MAP preserved many of the goals of the STAR plan but increased the flexibility available to districts as school boards and unions negotiated proposals. Acceptable MAP plans were required to allocate 60% of bonuses to teachers based on learning gains on standardised tests, with the remaining 40% from principal evaluations. However, unlike the STAR programme, it allowed supplementary bonuses for exemplary work attendance. Also, the percentage of personnel defined as 'top performing' could be defined more flexibly under MAP—in STAR it had to be at least 25% —and bonuses could range from 5-10% of the district's average teacher salary. Perhaps the most significant deviation from the STAR plan is that, under MAP, districts could provide awards to groups of teachers and were not limited to only providing individual bonuses. According to FDOE materials, from 2007-2008 "districts are not legislatively required to do (PRP); however, to receive an allocation based on the district's proportion of K-12 base funding a performance plan compliant with 1012.225 is required" (Florida Department of Education, 2007a).

IV.ii.b Florida District Population Sample

The set of districts from which the sample districts in Florida were selected was the 14 districts that were amongst the 100 largest districts in the United States for the 2006-2007 school year (National Center for Education Statistics, 2008). The characteristics—enrolment, percentage of students economically disadvantaged[234], and percentage of non-white students—of these 14 districts are represented in Chart IV.V.

Chart IV.iii: Nation's Largest 100 School Districts, Florida[235]



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[234] Represented by those students eligible for Free or Reduced Price Lunch (FRL) a means-tested federal meal subsidy program

[235] In Chart IV.iii and Table IV.iv, enrolment data comes from the National Center for Education Statistics (2008). The percentage of the student population that is non-white (PerMin) and the percentage of students economically disadvantaged (PerFRL) comes from the Florida Department of Education (2007b). All data is based on the 2006-2007 school year.

TABLE IV.iv: Statistics, Florida Districts

		Enrolment	PerMin	PerFRL
N	Valid	14	14	14
	Missing	0	0	0
Mean		134810	52.5071	44.2286
Median		101360	52.6000	42.3000
Std. Deviation		88217	1.72807E1	9.63057
Variance		7.782E9	299.624	74.487
Range		302000	61.60	29.30
Minimum		52012	29.00	29.70
Maximum		354000	90.60	59.00
Percentiles	25	66230	35.8500	41.1750
	50	101360	52.6000	42.3000
	75	179810	65.8250	50.1750

Enrolment

As outlined in Table IV.iv, the smallest district enrols 52,012 students, the largest enrols 354,000 and the mean of the 14 districts is 134,810. Chart IV.iii shows that twelve of the fourteen districts enrol fewer than 200,000 students, with two districts that are twice or three times as large as the mean, and three to four times as large as the median.

Percent Economically Disadvantaged and Minority Students

As evidenced by Chart IV.iii, within the largest fourteen school districts in the state of Florida, there is not a simple or direct relationship between the enrolment in the district and the percentage of economically disadvantaged or minority students. The percentage of economically disadvantaged students ranges from 29.7-59% with a mean of 44.2% and a standard deviation of 9.6%. The percentage of minority students ranges from 29-90.6% with a mean of 52.6% and a standard deviation of 17.3%.

APPENDIX V: School District Codes and Narratives

V.i: DISTRICT.1FL

V.i.a: Interview Selection and Execution

Two stakeholders were unavailable to be interviewed—Superintendent2.1FL and Union_Leader.1FL. Though Superintendent2.1FL was unavailable to be interviewed, Central_Office.1FL was interviewed in order to supplement the other interviews and provide more insight into the operations, strategies, and processes surrounding the implementation of PRP in District.1FL. Additionally, both board members' tenure spanned both superintendents and so they were able to provide insight into the leadership styles and strategies of both superintendents.

Union_Leader.1FL never responded to any attempts to arrange an interview—even referrals from other district stakeholders were unsuccessful. Other union personnel and staffers were then contacted and a few responded and implied that they would participate. In the end, they said that they could not speak to the interviewer until they received organisational clearance—which they apparently never received. Though it would have been ideal to speak with someone at the union, it is very clear that they were an important collaborative partner based on the other interviews conducted. Because of the degree of collaboration, many of the stakeholders appeared to know Union_Leader.1FL well and spoke very highly of her and her leadership of the union. The consistency of these accounts suggests their reliability.

TABLE V.i: District.1FL Interviewees

SUPER1.1FL	Superintendent (2005-2007)	Interviewed
SUPER2.1FL	Superintendent (2007-present)	Unavailable for Interview
CO.1FL	Human Resources Officer	Written Correspondence

OA.1FL	Outside Consultant	Interviewed
SB1.1FL	School Board Member	Interviewed
SB2.1FL	School Board Member	Interviewed
Union_Leader.1FL	Union President	Refused Interview (multiple people contacted—organisational refusal)

V.i.b Case Overview

Prior to STAR being passed in the state legislature in 2006, District.1FL had begun the process of negotiating a PRP programme with the collaboration of their union (Central_Office.1FL). The previous plan had considered school-wide achievement in reading and then based bonuses on a portfolio of teacher work[236] (Central_Office.1FL). This policy was incompatible with the mandates of the state PRP legislation—STAR, which effectively transitioned into MAP[237]. The school board strongly protested the state legislation in a February board meeting on the grounds that it was "seriously flawed" including an unreasonable timeline (School_Board2.1FL). However, despite their objections to the state legislation, the school board eventually felt compelled to participate in order to not lose out on the millions of dollars attached to the grant.

It is also worth noting that the passage of major PRP legislation at the state level also coincided with a tumultuous time in District.1FL. Superintendent1.1FL came to the district in 2005 and left the district amid controversy in 2007. He says that the reason for his departure was his refusal to compromise on an ethical issue involving a school board member who had used a false address when running for school board and then had made a quid pro quo appointment of a friend

[236] In order to be eligible, teachers had to collect and record various examples of teaching proficiency which were submitted in a portfolio.
[237] See Appendix I for description of MAP/STAR.

to a lucrative bond committee. He says that when he refused to approve the bond issue the board moved to fire him.

Board members who were interviewed did not focus on that particular issue, but were opinionated about his tenure. They suggested that he did not work well with the board or the community. Superintendent2.1FL, who was working in a senior position within central office when Superintendent1.1FL was released, took over the role in 2007 and has continued to serve in that capacity to this time.

V.i.c Political Context

Superintendent

Descriptions of Superintendent1.1FL are wide-ranging. According to School_Board1.1FL, though Superintendent1.1FL was likeable, he didn't build relationships within the district—either with the school board or within the community. Instead, according to School_Board1.1FL, the superintendent was 'very aggressive' and 'controlling' and 'never worked with the board'. According to School_Board1.1FL, the superintendent wouldn't even let him look at the budget.

Perhaps unsurprisingly, Superintendent1.1FL had a different perception stating that he had a good relationship with the union and was very popular within the district initially. He cites this popularity as the reason for his contentious relationship with the school board suggesting that they were jealous of his popularity and good relationships with the union.

Despite the differing accounts of his temperament, style, and personality, there is consensus that he came into the district with a 'reform' agenda and was actively pursuing changing district policy. Within weeks of taking the job in District.1FL, Superintendent1.1FL brought in an outside organisation to do 'an assessment of readiness and capacity' which was intended to assess the needs of the school district as well as potential limitations or challenges to making or implementing those challenges. One of the issues on the agenda for that assessment was PRP.

Superintendent2.1FL was the deputy superintendent under Superintendent1.1FL—a replacement that Superintendent1.1FL says that he insisted upon or negotiated as part of his departure. He (Superintendent1.1FL) viewed that replacement as critical to the district's ability to carry forward the reform work that had been started—because Superintendent2.1FL understood the reform process and was able to accelerate it once the district was cleared of the "bad blood" of the controversy that surrounded the end of Superintendent1.1FL's tenure.

Superintendent2.1FL was described as "very knowledgeable" but not "nearly as aggressive as Superintendent1.1FL" (School_Board1.1FL). In fact, School_Board1.1FL said that Superintendent2.1FL was a "powder puff" but not "in the negative sense"; "he's a Sunday school teacher who wants everyone to get along". This was said in contrast to Superintendent1.1FL's aggressive style; School_Board1.1FL was complimentary of Superinentendent2.1FL's knowledge of the issues and ability to work effectively with the board.

School Board

It doesn't seem possible to characterise the board dynamics uniformly across the period in question due to the differing styles and dynamics of the superintendents. Superintendent1.1FL thought that the board was far too managerial—which he defined as a need to be involved in every detail—and suggested that they could "obstruct things pretty seriously". School_Board2.1FL described things differently, suggesting that the superintendent and his staff develop plans in response to the school board's expressed parameters and philosophies.

School_Board2.1FL said that the board and Superintendent2.1FL have a good relationship collaborating through issues of disagreement. This was confirmed by School_Board1.1FL, and those positive relationships were contrasted with the bad relationships that existed during Superintendent1.1FL's tenure, which Superintendent1.1FL also identified saying that his contentious relationship with the board "hamstringed efforts".

Union Leadership and Collaboration

In contrast to the changing dynamics that have characterised the relationship between the school board and superintendents, the union in District.1FL and its leadership are consistently described as a stable collaborating partner with the district. Despite the often conflicting perspectives of Superintendent1.1FL and the school board members on other issues, all stakeholders describe the union and its leader as a key player in shaping district policy (Superintendent1.1FL, School_Board1.1FL, School_Board2.1FL, Central_Office.1FL, Outside_Agency.1FL).

Superintendent1.1FL, who said he had a good relationship with the union leader which was based on candidness—fighting honestly which allowed them to resolve issues with the kids in mind—said that the union was "much more progressive than some of the other segments of the community", alluding to the school board.

Both school board members recognised that the union leadership in District1.1FL was unique. Even though the superintendent and the school board members all said that they have issues on which they and the union disagree, that even in those disagreements, there is a level of trust between the union and the district that everyone has the best interests of students in mind.

And the union and district do not disagree on everything. There are topics that they can agree on (School_Board2.1FL)—perhaps on more topics than in other districts. School_Board2.1FL said that the local union leader has gone out on a limb to support policies that the state union has opposed. There was consensus that without District.1FL's union leader, they would not have been able to participate in MAP or Race to the Top[238].

V.i.d Financial Context

Financial considerations were critical in District.1FL's decision to participate in the state grants. School_Board2.1FL describes the decision to participate in STAR in order to be eligible for the millions dollars that were provided through the grant as the "lesser of two evils", saying:

> "We thought it was seriously flawed, but it was just one of those moments where you have to decide the lesser of two evils…and the greater evil so to speak would have been to lose seven million dollars in pay for teachers" (School_Board2.1FL).

The significance of availability funding has only increased in recent years as states and districts have been asked to 'tighten their belts'. The representative of the outside agency that consulted in District.1FL described stimulus dollars by saying "If this is some of the only money available in town, you're going to go for it", and the same principal seems to apply to these state grants (Outside_Agency.1FL).

It is worth noting that the sustainability of the reforms can be questionable as the state funding may go away after a few years. Or, as School_Board1.1FL described, sustainability can also be challenged through the increasing number of unfunded state mandates that further constrain district budgets—and increase the pressure to participate in any funded state programme.

V.i.e: Policy-Process[239]

When STAR was first passed at the state level in 2006, the first step was to meet with the teachers' union. The teachers' union membership eventually had to ratify participation in the STAR

[238] A competitive grant provided by the federal government as a part of the stimulus package that was intended to incentivise and reward reform—along a number of dimensions—in states and districts in 2010.
[239] Though MAP is the state policy examined in this thesis, the core of the policy-making process actually occurred in response to STAR. When MAP was passed, the district policy effectively just changed names.

programme—which required significant changes from the previous district practice of providing bonuses to teachers on the basis of the school-wide reading scores and a portfolio. Central office staff members were invited to union meetings to answer questions and hear teachers' reservations (Central_Office.1FL). Central_Office.1FL said that they were able to answer most of the teachers' questions, but that there were a few things that they needed to consider further. Eventually, the teachers ratified participation in STAR.

Then, a committee of district staff in collaboration with the union began to develop the district's plan. At this point, Central_Office.1FL said that there was no tension or conflict over whether or not the district would design a plan—that had been settled when the union voted to participate. However, she did say that there was a constant 'unfolding' of new issues that required consideration—like how to deal with teachers who taught non-FCAT subjects and other measurement concerns.

So the process of designing the district's PRP plan occurred through the committee of district staff members with union involvement. However, though it doesn't appear that the district was ever *not* going to participate in STAR/MAP, the school board did file a detailed complaint with the state about what it saw as the shortcomings of the plan. School board members did express concerns about the ideology of individual-based PRP and its potential to create a competitive environment (School_Board1.1FL, School_Board2.1FL), but these appear to have been less problematic than the broader concerns about the unreasonable timeline, administrative shortcomings, and what they saw as the state's overstepping of local authority (School_Board1.1FL, School_Board2.1FL). However, the district was going to participate, despite these concerns and objections, because, as School_Board2.1FL put it, they had to "decide the lesser of two evils....the greater evil so to speak would have been to lose 7 million dollars of pay for teachers."

MAP followed STAR one year later and in many ways was a rebranded version of the same policy. STAR had been controversial—as evidenced by the strong response of District.1FL's school board to it as well as the low participation rates across districts—and so the MAP plan had been an attempt to retool the programme and increase district buy-in from non-participating districts. For participating districts like District.1FL, for all intents and purposes, the district transitioned relatively seamlessly from STAR to MAP.

V.ii: DISTRICT.2FL

V.ii.a: Interview Selection and Execution

The superintendent was unavailable to be interviewed. He had recently left the district for a new job and his new employer would not allow him be interviewed. Central_Office.2FL was interviewed as a 'functional equivalent' in order to gain insight into the district's practices and strategies.

At the time of interviewing, there had recently been a school board election in District.2FL. Several of the board members retired leaving only two board members on the board who had served during the period (2006-2009) in question. The second board member was unavailable for an interview. However, the consistency of responses across all stakeholders suggests that the information gained from the school board member interviewed—as well as other stakeholders—is reliable.

TABLE V.ii: District.2FL Interviewees

Superintendent.2FL	Superintendent	Declined Interview
Central_Office.2FL	Human Resources Director	Interviewed
School_Board1.2FL	School Board Member	Interviewed
School_Board2.2FL	School Board Member	Unable to Secure Interview
Union_Leader.2FL	Union Leader	Interviewed

V.ii.b Case Overview

When the MAP legislation was introduced in 2007, District.2FL already had an established history with alternative compensation reforms and strategies. In 1999, District.2FL had established an 'outstanding teacher' PRP system that provided bonuses that were awarded to high-performing teachers according to a mix of annual evaluations and school-wide student performance. Though there was no state incentive at the time[240]—the first state-led initiative was eComp in 2002—the locally-funded initiative, which was championed by the superintendent may have been, at least in part, an attempt to get ahead of legislation that was rumoured to be on the way.

1999, the year in which the PRP plan was designed and implemented was one of the most contentious bargaining cycles in recent memory. Though the district now uses an 'interest-based bargaining' strategy that is universally praised, the strategy is the product of the 1999 bargaining–cycle that ended in impasse. Central_Office.2FL described the foundation of interest-based as something that had to 'break-down in order to build-up'. He pointed to the grid-locked negotiations of 1999 as the result of a loss of trust. Contract eventually had to be imposed due to the lack of trust, and the imposition of the contract further damaged relationships. Union_Leader.2FL identified the school board and superintendent as the cause of the conflict saying that things got very ugly—with teachers eventually standing on street corners. In addition to motivating Union_Leader.2FL to get involved with union work, another positive outcome was interest-based bargaining which was identified as a solution—an expensive one, due to the training required—according to both Union_Leader.2FL and Central_Office.2FL to the stalled relationships.

The locally-funded 1999 plan was described as 2.5 million dollars that helped to align goals within the school and was supported by 'almost everyone' (Central_Office.2FL) once it was implemented. Though Union_Leader.2FL doesn't seem to remember it quite as fondly, describing it as 'teachers hauling wagons full of documentation', he acknowledges it as $500 to $800 that 70-80% of teachers received.[241] It paved the way for District.2FL's participation in future state initiatives.

[240] The first state-led initiative was called eComp in 2002.
[241] This award-rate compares to as few as 150 teachers, or two to three percent of teachers who received a larger sum, five percent of their base salary under MAP (Central_Office.2FL).

Both Central_Office.2FL and Union_Leader.2FL described the impact of the series of amendments to the district's PRP plan in the form of state legislation—eComp in 2002, STAR in 2006, and MAP in 2007—as increasingly restrictive. Though the state describes the changes from STAR to MAP as providing more flexibility (Florida Department of Education, 2007a), the increasingly individualised nature and focus of the incentives as well as increasing weight given to test scores led to what Union_Leader.2FL called 'increased strife' and the MAP policy being voted down in 2009—or 'squeezed out' according to Central_Office.2FL. The change from District.2FL's previous PRP plan to STAR required the district to start from scratch on several dimensions in order to meet state requirements—using a five- instead of three-criteria evaluation system and state formulas for learning gains. And though the differences between STAR and MAP were slighter modifications, MAP no longer allowed awards based on group performance. So, instead of awarding 50% based on individual performance, 25% on team performance, and 25% based on final performance assessments, under MAP, 75% became individual learning-gains with the remaining 25% based on the final performance assessments (Central_Office.2FL).

Though the dissatisfaction with the state mandates may have been voiced all at once—with the vote to discontinue participation in MAP in 2009, it seems to have built over time. Central_Office.2FL indicated that there was little 'decision' to participate in STAR, which eventually 'evolved' into MAP, as it was required by law, a sentiment that was echoed by Union_Leader.2FL. School_Board1.2FL while not referring specifically to any one piece of legislation stated that the "state has imposed merit pay all along". After many school districts did not participate in STAR without any consequences, the sense of the state mandate being truly 'mandatory' was fading, or at least seemed more complicated. But at the beginning of MAP, district stakeholders felt it was better to participate in the programme and receive the four million dollars from the state to fund it than to lose out on those dollars. Furthermore, the contract had already been negotiated with PRP included (Union_Leader.2FL, Central_Office.2FL), consistent with bargaining practices whereby up to two-years could be negotiated at one time with a provision included that allowed the bargaining teams to "come together…(to) negotiate the provisions of a state required performance-pay plan" (Central_Office.2FL).

V.ii.c Political Context

Interest-Based Bargaining

Established as a solution to the break-down of 1999, interest-based bargaining is cited by many stakeholders as central to the district's operation, including their participation in MAP and their long history of performance incentives.

Central_Office.2FL contrasted interest-based bargaining with traditional adversarial bargaining, as a more transparent process that focuses on interests rather than positions. This more transparent process (Central_Office.2FL and School_Board1.2FL) allows the members of the collaborative bargaining team to work together to devise solutions to district problems and challenges. This process has allowed Central_Office.2FL to negotiate contracts with pay cuts that have been ratified with overwhelming majorities. Furthermore, in terms of the substantive policy, he identifies these agreements as longer-lasting and more creative (Central_Office.2FL). And several stakeholders indicated that the process builds the trust between all parties (School_Board1.2FL, Central_Office.2FL, Union_Leader.2FL), which only improves the effectiveness of the process.

School Board

According to School_Board1.2FL, the board primarily approves and works with plans brought to them after negotiations, "through our unions…These are all negotiated items, except for what the state has imposed. And, but then we still work through our unions to bring a plan for that to the uh, to the school board."

And that doesn't mean that the school board doesn't have any say in the policy-making process. Rather, as policies—like PRP—are being designed and negotiated through the bargaining team, the drafts of plans come to the board in workshops where they discuss them, give feedback to the superintendent, and then send information back to the negotiating team (School_Board1.2FL). So, by the time it comes to the board for the final votes, all 'parties' have already agreed.

Furthermore, Central_Office.2FL describes the school board as having an interest that is aligned with the employees. He also says that the board is very cooperative and has bought into the interest-based process.

This iterative process of negotiating interests also takes place informally. According to School_Board1.2FL, "we as individual board members get feedback from staff members about that issue and then we take that back to the superintendent who takes that back to the team and by the time it gets to us it's a watered down process from what the intent was".

Superintendent

School_Board1.2FL described the superintendent as a leader who had 'brought the teachers in on every decision that the board made even though he didn't need to by contract….out of respect and courtesy….he just routinely included the teachers union in at the very beginning". She acknowledges that they often didn't change direction, but would consider union input and modify the process.

Union

School_Board1.2FL identifies the union as a key player in school board elections, saying that "you can't get elected unless you have support of the union" both because of the relatively small turn-out at elections as well as the teachers' ability to sway the vote if they feel strongly about something. Furthermore, she confirmed that the union does lobby board members individually.

V.ii.d: Financial Context

Budget cuts did play a role both in the decision to participate and, eventually, to opt-out. Union_Leader.2FL stated: "if the state wasn't going to fund the plans, for PRP, then we're not interested in doing it. Bottom-line." According to Central_Office.2FL, the district *did* have more resources at its disposal when the district-funded initiative was implemented in 1999. He identifies the housing boom and bust as one cause for the decline in education revenues. This decline in revenue made state funds necessary to implement a PRP plan. Additionally, the district's limited resources gave the state grant more 'power' in terms of incentivising the district to participate despite some reservations.

V.ii.e: Policy-Process

Negotiation Towards Participation

In order to modify the existing PRP system to meet the requirements of the STAR/MAP legislation and thus to be eligible for the state funds, the district formed a committee of key stakeholders, referred to as a "joint collaborative effort" (Union_Leader.2FL) of administrators, teachers, and key union and district staff to develop a proposal to send to the state. The key concern—both in terms of design and eventual implementation—was a question of fairness.

The concern regarding fairness was broken down into two key concerns according to School_Board1.2FL. First, there were questions about the validity of the exam data—can it appropriately account for the 'value-added' of a given teacher?—which was a mandatory component of the performance bonuses. The second issue, echoed by Union_Leader.2FL and Central_Office.2FL, was how to deal with 'non-traditional' teachers who taught subjects—like physical education, art, foreign language, and others—that were not assessed with state exams. Additionally, there were concerns about the perception that teachers would be 'ranked'; one of the components of the new legislation stipulated that only 25-30% of teachers could receive the bonus—a dramatic change from the 70-80% who received a small bonus under the district's original plan. In order to meet this requirement, the district devised a system where teachers were sorted into silos—according to grade-level and subject-area—with 25-30% receiving a stipend.

Union_Leader.2FL still had concerns about the impact of 'ranking' and the other questions of fairness. However, there was a general sense that all stakeholders shared those concerns. The district's response was simply that though the system may be less than ideal, if they didn't come up with an acceptable plan, they would miss out on the four million dollars available through the grant. All stakeholders identify the interest-based bargaining process—a crucial component of which is transparency with the budget according to School_Board1.2FL[242]—as key to being able to find a plan that, though less than ideal, adequately dealt with the relevant concerns.

The key to the policymaking-process, at least in this instance, seems to be the 'collaborative team', composed of the union bargaining team, and the chief negotiator who represented the district (Central_Office.2FL, Union_Leader.2FL). After Central_Office.2FL sketched out a brief outline, the negotiating team put together a team of administrators and eventually a group of teachers who then designed the STAR and MAP plans. Then, once the plan was developed in this small team, other shareholders were eventually included in order to lay-out the necessary logistical support. Finally, large training sessions were scheduled where school personnel were taught the plan (Central_Office.2FL).

Simultaneously, there were teams of teachers who were charged with the task of designing the assessments that would be used to evaluate the hundreds of teachers in non-FCAT subjects as well as the computer systems and programing required to analyse the data. After receiving board approval for the plan, it went to all teachers, not just union members, for ratification and was approved.

[242] 'Transparency' indicates a greater openness and sharing of budgetary limitations and challenges between the district and union.

Decision to Opt-out

At least in part due to the collaborative relationship, both parties agreed with the decision to opt-out in 2009 (Central_Office.2FL, Union_Leader.2FL). From the district's perspective, they were glad that all of the four million dollars went to teachers, but at the same time, none of that money could go towards covering the massive effort that it took to implement MAP. And simultaneously there was another initiative that was requiring increasing time and attention as well as budget cuts, which resulted in cuts to support staff positions that were essential to administering PRP (Central_Office.2FL). Union_Leader.2FL, while acknowledging that the district's MAP plan "was probably as fair as, as any district's plan", just didn't feel that what the state was attempting to mandate was going to be effective—he felt that there was a general agreement that PRP was not going to be a motivator for teachers.

Central_Office.2FL said that the union was receiving complaints, which was confirmed by Union_Leader.2FL. He (Central_Office.2FL) didn't think it was an especially large number of complaints, but, said that in the absence of strong advocates, these detractors made abandoning the policy an attractive way to address the concerns.

Union_Leader.2FL stated: "So finally when teachers had the opportunity they said, you know this isn't worth it. It's just not worth it. So when they finally had the opportunity to vote it out, they did...Because, they just didn't feel that it had any positive effect. They felt like it had more of a negative effect in terms of creating strife between teachers rather than cooperation—building cooperation." (Union_Leader.2FL)

V.iii: DISTRICT.3FL

V.iii.a: Interview Selection and Execution

Union_Leader.3FL—the executive director of the local union, who had served in the position for 37 years—died in 2008. He presided throughout the reform process in question and was a stable leader: he was described as politically astute, with a long history of working in the county including a very cordial working relationship with the superintendent (Central_Office.3FL). However, the picture that emerges is one in which the union worked more closely with the school board than the superintendent.

The union experienced a period of significant transition after Union_Leader.3FL's death. Before a new official executive director was hired, there were two interim executive directors who served for short stints—each with his own style (School_Board2.3FL). In contrast to the collaborative work that was described by School_Board1.3FL as standard for the district, the interim executive directors came in with their own styles and a "much more demanding posture", which was described as a huge set-back (School_Board2.3FL). Because of these events, a 'functional equivalent' for Union_Leader.3FL was not available. A third school board member was interviewed because of complex dynamics between the school board and superintendent.

TABLE V.iii: District.3FL Interviews

Superintendent.3FL	Superintendent	Interviewed
Central_Office.3FL	Human Resources Officer	Interviewed
School_Board1.3FL	School Board Member	Interviewed
School_Board2.3FL	School Board Member	Interviewed
School_Board3.3FL	School Board Member	Interviewed
Union_Leader.3FL	Union Leader	Unable to Interview

V.iii.b: Overview

Prior to the passage of the STAR legislation in 2006, District.3FL didn't have any PRP programmes on record, and there was said to be "no open opposition" to 'PRP' (Superintendent.3FL). Although the money that came from 'school rewards' (for their letter grades based on FCAT exams) was awarded to teachers by their peers, the STAR legislation was the first time that PRP was a part of sustained, focused discussions.

The school district had set a goal of increasing the base salary in the district in an attempt to close the gap between the present salary level and the regional average (School_Board2.3FL, Superintendent.3FL, School_Board3.3FL). Though the district did brainstorm some potential PRP plans, the priority of attempting to increase the base pay—in the face of diminishing financial support from the state—was a significant consideration in the calculation to not move forward with the STAR plan.

Superintendent.3FL saw that gap in the salary as a huge obstacle to moving forward with any PRP system. In addition to the perceived abandonment of a district priority—premised by an assumption that the money used to provide bonuses could have been used to increase the base pay—Superintendent.3FL had other concerns about the effectiveness of merit awards. Generally, he is sceptical as to whether performance incentives really motivate teachers. But moreover, he believes that as long as teachers believe that they are underpaid for what they do, "then there's no amount of money that won't be begrudged...that you can add through performance pay". Or, said differently, when teachers believe that they are fairly compensated, PRP *might* have a chance of being an effective motivator.

This logic led Superintendent.3FL to conclude that "until we get there, I'm not going to use the little political capitol that a superintendent has on that because it's, it's a no win for me."

V.iii.c: Political Context

Superintendent

At the time when the state legislation was passed, Superintendent.3FL, who was hired in 2004, was the superintendent of District.3FL. Superintendent.3FL admits that he was not the most popular person with the union because he "pushed the button" on teacher firings. His decision to adjust the middle school teachers' contracts by imposing contract—with the vote of the school board—against the wishes of the union and the collective bargaining group also drew ire. The consequences of imposing contract were only worsened by the fact that it seems that the process of imposing contract did not meet the requirements of Florida law (Central_Office.3FL). Though Central_Office.3FL says that both sides learned something from that experience, it damaged intra-district relationships.

School_Board3.3FL called Superintendent.3FL bright and hardworking but went on to say that he showed a lack of respect for people in the district—including the school board—often through making important decisions without consultation.

Superintendent-Board Relationship

In addition to tensions with the union, the relationship between the superintendent and school board was contentious. Superintendent.3FL describes an unspecified number of the school board members as having strong relationships with "other constituencies", namely the teachers union. He suggested that these members spent more time with the collaborative bargaining team than he ever did, a connection that he attributes to the fact that five or six out of the seven board members were former teachers (Superintendent.3FL). The superintendent also said that school board members had a sophisticated understanding of their policy responsibilities; they were highly political, knowing how to pass policies that served them politically but might have been inconsistent or tangential to the vision developed by the superintendent.

And the superintendent was not alone in feeling this tension. Two board members who place themselves outside of the conflict (School_Board1.3FL and School_Board2.3FL), and one who was identified by a local newspaper—School_Board3.3FL—as having a strained relationship with the superintendent all described the relationship between Superintendent.3FL and the school board as 'tense' and even 'ugly' at times. School_Board1.3FL described the relationship between Superintendent.3FL and the board as a 'tense' one characterised by 'open opposition'.

One board member who was identified as not understanding the way the board works and simply not liking Superintendent.3FL, placed demands for data on Superintendent.3FL that School_Board1.3FL says paralysed the board. After this, School_Board1.3FL says that Superintendent.3FL began to look for ways to work around the school board—an all female board, something that she says Superintendent.3FL "didn't see a lot of use for"—and began to start working primarily through the board of a local education-focused foundation.

According to School_Board2.3FL, under Superintendent.3FL's tenure—of which she was only around for the final two years—the board was divided and made life miserable. School_Board2.3FL says that board personalities played into the board dynamics.

However, it is worth noting that even for School_Board3.3FL, who cited the superintendent's lack of respect for the school board and openly opposed him during his tenure, the budget crisis was a more significant dynamic in terms of influencing policy than any personal tensions.

Union

Like all other districts, the union lobbies board members and meets with the superintendent. In District.3FL the perception is that these strategies are more effective with some board members than with others. School_Board1.3FL said that while political parties don't play a big role in school board politics that individual board members tend to rely on different groups for information. She indicated that a few take cues from the union and will never side against them, something she identified as significant, saying “you might even have the superintendents recommendation, but in the final end it’s not always the way the board votes”.

In terms of the general tenor of the relationship between the union and district, the relationship is getting increasingly contentious due to unpopular state mandates that the board is forced to implement and constraining resources and bargaining options (School_Board2.3FL).

The major form of union resistance is to ‘just say no’ (School_Board2.3FL) at the bargaining table. Though the district *could* impose contract, hypothetically, the process to do so is time consuming and so there are many situations for which it is not an option if a timely response is required.

Collaborative Bargaining

In contrast to traditional adversarial, District.3FL adopted a collaborative bargaining process—identified as a forward-thinking strategy of the school board and union 15-20 years ago (Central_Office.3FL). This collaborative bargaining process is said to provide a number of advantages (Central_Office.3FL, Superintendent.3FL), and is based on a philosophy that everyone affected by a decision should have a say in that decision (School_Board2.3FL). Though similar to District.2FL’s interest-based bargaining practices, the collaborative bargaining process in District.3FL has a unique feature—that contracts simply go on until changed, rather than negotiating contracts for set periods (Central_Office.3FL).

Superintendent.3FL says that collaborative bargaining allows the district to be more transparent in terms of its budget, which has resulted in more harmonious conversations. Though Central_Office.3FL acknowledges that there are still adversarial issues that the district has to deal with, the transparency allows everyone to “feel like they are a part of what happens even if they don’t get their way” making the process go more smoothly.

The collaborative bargaining team and its subcommittees work on policy to address any challenges, problems, or state mandates and then present it jointly, with central office staff, to the board for ratification (Superintendent.3FL, Central_Office.3FL).

Though, according to School_Board1.3FL, the union initially didn’t even want to talk about performance incentives until the base-pay had been increased, it was the collaborative bargaining process that eventually drew them to the table.

Option of Imposing Contract

It is worth noting that even if the collaborative bargaining team, or the union specifically, votes against a particular initiative, the board can still ‘impose contract’ and act against the bargaining team’s recommendation, which, according to Central_Office.3FL means that the school board “doesn’t give up its right to do what needs to be done.” This is in part due to the fact that, though Florida is state that legally requires districts to bargain with the union, strikes are outlawed, so if the proper bargaining process is followed, the union is limited in the action it can take to contest an unpopular board decision (Central_Office.3FL).

It seems that Superintendent.3FL might disagree. Though he acknowledged the benefits of increased transparency and the harmonious environment it created, he felt that the collaborative bargaining process slows the process down and limits policy responsiveness, making it hard to capitalise on aggressive reforms at the state level—a feature that he, as an aggressive reformer, begrudges, but one that he recognises others celebrate.

Role of the State

The STAR and MAP legislation were and are seen as being a part of the state's attempt to exert increasing influence on education policy at the local level. Both School_Board1.3FL and School_Board2.3FL expressed frustration with the state's apparent disregard for the local authority of the school district as the governing agent through their attempts to 'bully' districts into implementing policies. Beyond the questions about state authority, board members also articulated a concern about the state's one-size-fits-all approach, arguing that the state doesn't understand the implications of policy at the local level, especially considering the great diversity of conditions across districts (School_Board1.3FL, School_Board3.3FL).

V.III.d: Financial Context

Financial concerns, which is "one of the concerns…always" (School_Board1.3FL), were heightened by a strained budget that necessitated a hiring freeze and budget cuts (School_Board2.3FL, Superintendent.3FL). At the same time as the STAR and MAP policies, a class size amendment was passed that added a huge financial burden—227 million dollars for District.3FL (School_Board1.3FL). Even state-provided STAR and MAP funds, which would have been nice to have in light of the increasingly limited resources, couldn't address financial strain because the district knew that eventually the money would dry up and so sustainability had to be addressed.

In addition to the apparent conflict with the priority of increasing the base-pay of teachers, School_Board2.3FL also recognised that if the district put all of their resources into pay, they would have to reduce or not move forward with some other district programmes. So, in light of competing priorities, and in a similar vein to the conflict between the state and districts over authority, District.3FL decided that it was best to spend dwindling resources in the most appropriate way, or as School_Board1.3FL put it, "the way we sit fit".

V.iii.e: Policy-Process

After the STAR legislation passed, the first step, according to Superintendent.3FL was to talk about concerns and reservations internally. Then, as conversations within the collective bargaining team and the school board were underway, he began to talk about the STAR plan and the district possibilities on his weekly television show in order to keep the public informed. Of his two conversations with the board, Superintendent.3FL remembers one in particular and cites the unilateral rejection of STAR—independent of the bargaining process—at that board workshop as the main reason why he eventually brought a resolution to the board saying that they were not going to participate. According to School_Board2.3FL, while the board knew that the collaborative bargaining team was recommending that they not submit, the board spent most of their time talking about the "impact of what was going to be submitted" which led "the majority of the board (to) decid(e) just not to do it because this was just ill-conceived from start to finish".

When asked to what degree the resolution had been a result of the collaborative bargaining outcome, Superintendent.3FL said that the board's rejection was the primary reason, though he suggested that the board "had support" from the members of the collaborative bargaining team and the teachers union, among others. When asked to identify who the "others" were, he suggested that while he didn't want to put words in peoples' mouths, the one thing that was certain was that no one was *opposing* the board's decision to not participate in STAR. The reasons for opposing the plan, though slightly different amongst various stakeholders, effectively come down to a conflict between local versus state goals.

In terms of the collaborative bargaining team, who eventually recommended that the district not participate (School_Board2.3FL), the union was opposed to the idea that only 25% of teachers could receive[243] a bonus as opposed to a plan with an absolute threshold that theoretically

[243] A relative threshold based on inter-teacher comparison.

all teachers *could* achieve. Central_Office.3FL identified this as a conflict between state legislation and basic union philosophy.

The district's concerns, though slightly different, were similar. Superintendent.3FL wanted more of a team-based concept as individual awards seemed to be in conflict with collaboration-focused professional development which was being launched. And everyone—administration, board, and union—struggled with how to pin down the specific contribution of a teacher, or his or her value-added, as well as how to include the *whole* school environment (Superintendent.3FL, SBM2).

District.3FL *did* submit a number of STAR proposals which "looked at...learning gains as well as....a little bit of stipend for people that would be in those schools with struggling students. And...the state said...'no'. They wouldn't accept it...they wanted a larger percentage of it based solely on learning gains" (School_Board2.3FL). After going through the STAR processes and being unable to bridge district and state goals for PRP, there was virtually no consideration of participating in MAP (School_Board2.3FL, Central_Office.3FL, Superintendent.3FL).

When MAP was passed, Superintendent.3FL says that "people were just very, very leery" about assessment devices and fairness. He says that "there just wasn't the appetite for (PRP)" in District.3FL (Superintendent.3FL, School_Board1.3FL). The concerns that board members and others had were not helped by the perceived ambiguity and confusion around the state legislation. And those concerns were only magnified by the controversy around the legislation, and the fact that districts that participated in STAR didn't have much to show for it (School_Board2.3FL, School_Board1.3FL). The district did submit a few plans, but according to Superintendent.3FL, these "were just attempts to get recognised for what the district was already doing" and really did not meet the MAP criteria.

Optional?

While some districts thought that STAR was a mandatory state initiative, at least the administration of District.3FL identified STAR as an optional programme. When asked about the various perceptions on the compulsory nature of STAR, Central_Office.3FL said that "you could read it that way"—that it was compulsory—depending on how you interpreted "...the district *shall*...". But to support his position that it was voluntary, he pointed to the fact that most districts did not participate and none of them were punished.

While the administration may have understood that STAR was optional, at least School_Board2.3FL was under the impression that it was mandatory. She said that the board is usually much more compliant and tries to find a way to make state policies work in the district. But "this one was just one we couldn't make it work. And we said, you know we're going to hold our nose and….hold our breath and hope the consequences are something we can live with." However, any uncertainty about the compulsory nature of the programme was addressed when STAR was turned into MAP, which was clearly a voluntary programme (Central_Office.3FL).

Race to the Top

While the district did not participate in STAR or MAP, the two pieces of legislation have made it clear that the legislation is 'inevitable'. This was confirmed with Senate Bill 6, which only a gubernatorial veto in the summer of 2010 prevented PRP from becoming a part of state law,

"I think it's, by now I think that school boards and teachers unions and all are probably realising that you need to face the issue because it's coming one way or another. It's part of race to the top, it's part of a lot of things" (School_Board1.3FL).

District.3FL has included PRP into its Race to the Top application, though the form it will take are yet unspecified. In addition to the sense of inevitability, the board was willing to consider Race to the Top because it aligns with state requirements and provides additional funding

(School_Board1.3FL, School_Board2.3FL). So, while reservations remain, “Now, it’s been talked about for a couple of years. It’s been part of a couple of other initiatives…even those who don’t like it, are realising it’s, it’s coming anyway, we might as well be part of the conversation and come up with a plan.”

V.iv: DISTRICT.4TX

V.iv.a: Interview Selection and Execution

Of the two large unions in District.4TX, one—though saying that she would be willing to provide information—was unwilling to participate in this research. However, Union_Leader2.4TX described the union's role in the district as being fairly limited—which appears to be true of the state as a whole, as confirmed by Union_Leader.5TX and Union_Leader.6TX. So while interviewing Union_Leader1.4TX would have been preferred, concern over incomplete information is minimal.

TABLE V.iv: District.4TX

Superintendent.4TX	Superintendent	Interviewed
Central_Office.4TX	Central Office Staffer	Interviewed
School_Board1.4TX	School Board Member	Interviewed
School_Board2.4TX	School Board Member	Interviewed
Union_Leader1.4TX	Union Leader	Unavailable/Refused
Union_Leader2.4TX	Union Leader	Written Correspondence

V.iv.a: Case Overview

Prior to the DATE grant, District.4TX had limited experience with PRP. Central_Office1.4TX, who manages grants for the district and led the committee that created the district DATE plan, said that there was one campus that had participated in the TEEG (Texas Excellent Educators Grant), which she said was similar to DATE except was targeted at campuses serving at-risk populations. The superintendent and School_Board1.4TX clearly didn't consider TEEG to be 'PRP' as they said that the district had no previous experience with it.

However, despite the district's limited experiences, it was not a new concept; a large neighbouring district had implemented a policy the previous year, which resulted in controversy—

the union claimed it was unfair—and received significant media coverage (School_Board1.4TX, Superintendent.4TX).

V.iv.c: Political Context

Superintendent

The superintendent was described as a "perfect fit for the district" who is committed to student achievement. (School_Board1.4TX). He was ultimately the one who made the decision to pursue the DATE grant (Superintendent.4TX, Central_Office1.4TX)—a decision that he considers, and believes was perceived to be, just one in a series of innovative reforms.

School Board

School_Board1.4TX describes the school board as increasingly political, saying that people increasingly see running for the board as the next political step. She attributes the increased politicisation of the board to the growth of very conservative political groups—two current board members who were elected in 2008 and 2009 identify themselves as members of the Tea Party according to their profile on the district website—who want to secure as many political positions as possible. Three out of the seven school board members that are currently serving are described as very conservative members whose goal is to curb all spending. Two of these three members were elected—and defeated incumbents—in 2008, with the third elected in 2009. According to School_Board1.4TX, the other four board members will do "whatever it takes" for students, which seems to be especially relevant when it comes to spending decisions.

At present, the board is described as divided; it is still working through the consequences of a sitting board member (one of the three conservative members) who campaigned against the three incumbents who were running for re-election in November 2010. All of the incumbents won and are still on the board. However, this degree of political division was not an issue when DATE was passed. Citing this division, School_Board1.4TX said that while she has a great relationship with the superintendent, it is hard to speak for the whole board.

Union

According to School_Board1.4TX, there are two strong unions in District.4TX who are described as "very supportive". School_Board2.4TX said that unions are generally weak in Texas with few exceptions. The unions do contact board members to represent teachers on relevant issues—both to speak out against and support past or potential board actions. Though he said that school board members were usually "friendly enough", Union_Leader2.4TX said that he wishes "they would seek [the union's] input more", but that the school board "appears to be 'afraid' to be seen talking to Union_Leader2.4TX too much".

Superintendent.4TX identified the board as the people who teachers are likely to get in touch with if they are unhappy with a policy, though School_Board2.4TX said that he is unlikely to hear from the unions as they know that he is a waste of their time.

Interestingly, though Superintendent.4TX did not indicate that he spent much time with the union, Union_Leader2.4TX said that he could always go to the district administrators, but that he gets the most "results from meeting with the superintendent". He indicated that Superintendent.4TX was always willing to discuss issues, though the follow-through was not always there (Union_Leader2.4TX).

The unions are also involved in endorsing candidates at elections (Union_Leader2.4TX). They supported incumbents—who were 'progressive'—in the last election. Union_Leader2.4TX said that though the school board members who the union has supported do 'appreciate' them, they [the school board] do not want the union to have too much power. "After all, Texas is not a collective bargaining state" (Union_Leader2.4TX).

Other Stakeholders

School_Board1.4TX identifies the public as highly-engaged, pointing to what she views as a mobilisation to re-elect three incumbents (in 2010) after two incumbents were unseated by ultra-conservative members (in 2008) as a result of what she identified as a complacency and an assumption that 'everything would be ok'. Stakeholders have the opportunity to exercise their voice through referendum, elections, making public comments at school board meetings, and through informal comments—like e-mailing or calling school board members.

Though on the issue of PRP, central office didn't actively engage parents because they didn't vote[244], and undertaking an information campaign would have been a significant amount of work (Superintendent.4TX). Ultimately, parents on affected campuses appreciated the efforts and those who weren't affected didn't care (Superintendent.4TX).

V.iv.d: Financial Context

Funding is a crucial issue in District.4TX as it has been experiencing a budget crunch since 2006. The district has been growing rapidly, and becoming less affluent, since 2006 when budgets were frozen. This means that more students are being served with the same resources available in 2006. Questions of how to deal with those budget demands have been a primary objective of the superintendent (School_Board2.4TX), and have divided the board at times (School_Board1.4TX). According to Superintendent.4TX, without the funding there is no way PRP could be maintained, and 'free money' was a key to being able to counter any opposition (Central_Office.4TX).

V.iv.e: Policy-Process

After clarifying financial questions and confusion about the state plan, Superintendent.4TX made the decision to move forward with designing a plan to submit to the state with the goals of

[244] There is only a referendum when a tax increase is required.

improving retention at hard to staff campuses. The campuses that were identified as 'hard to staff' were those located closest to the major urban city, which serve a high percentage of at-risk students and that often require the longest commute for teachers. The plan also attempted to reward teacher performance as measured by student achievement scores (School_Board1.4TX, Central_Office1.4TX, Superintendent.4TX).

After the district had decided to submit a DATE-plan to the state, it was presented to the school board as an information item for feedback. Though the board was concerned that "teachers wouldn't go for it"(School_Board1.4TX), they had confidence that the central office staff would design a good plan.

There were a few major reservations, but these may have been at least in part addressed by deciding to use grade-level teams as the smallest unit who would receive awards (School_Board1.4TX, Superintendent.4TX). The first reservation was that the superintendent was concerned about the potential for disgruntled employees—as evidenced in the proximal urban district which had implemented a PRP policy the previous year. And there was also concern that PRP would create competition, which would eliminate the sharing of best practices. But grade-level teams seemed to address these reservations and there was consensus in the initial stages to award bonuses to teams rather than individuals (Central_Office1.4TX).

In addition to concerns about the potential for controversy and staff-division, Superintendent.4TX was opposed to using individual measures because of the complex system that would be required to schedule classes in order to ensure equal ability amongst students. Each classroom having students with equal ability levels was thought to be important to ensuring 'fairness'. In addition to the administrative burden, he thought that egalitarian ability grouping would be detrimental to student learning.

After the decision to design a plan based on a team-concept had been made and presented to the school board, the responsibility for formulating the plan was passed to Central_Office1.4TX, who assembled a committee of central office administrators as well as principals—most notably the principal from the school that had implemented a similar plan under TEEG. Unlike many other districts, the superintendent decided not to include teachers on the planning committee—though the principal from the TEEG middle school was thought to understand and be able to communicate the interests of teachers (Central_Office1.4TX). Teachers have been added to the committee since the plan has been implemented, but Central_Office1.4TX maintains that if teachers had been included from the beginning "we would have never gotten to where we got to initially" because they (teachers) tend to lack a 'big picture' perspective and would have never been able to get over ideological sticking points like 'everybody deserves equal'.

Though the planning committee did have concerns and at times deep disagreements about how to set the standard and how to make the plan 'fair', a plan was created—guided by the goals and requirements of the DATE legislation—that rewarded teachers based on students' math and English scores. First, awards were available to grade-level teams and then to the entire school, which allowed staff to earn a maximum of nine to ten-thousand dollars—a stipend that was most generous for teachers but available to all staff. Secondly, in order to be eligible to receive the stipend, staff were required to return to the school the following year (Superintendent.4TX, Central_Office1.4TX).

Though no one was adamantly opposed to the DATE grant, the planning committee and central office team did have to work against pre-conceived notions that had been formed based on the controversy of the plan in the nearby district (Superintendent.4TX). As a result, addressing questions and explaining the process was essential to getting teacher buy-in (Superintendent.4TX, Central_Office1.4TX). This was done through presentations at the eligible K-6 campuses.

The reception of the plan was largely positive, though two campuses had reservations. Some teachers were concerned about all teachers not making the same salary—like 1st and 2nd grade or special education teachers who didn't make as much as 3rd-6th core-content grade teachers (Superintendent.4TX, Central_Office1.4TX). On these campuses there were a few teachers—notably a strong leader who was *not* a union member—who mobilised all teachers about questions of fairness. After further communication, this teacher became an advocate and sold her campus on the plan. Notably, the campuses with professional organisation leaders didn't have any problems, and the leaders were supportive of the plan.

A few components were identified as key to addressing teachers' concerns. First, the plan used state—not local—funding. Second, if you really didn't like it, you didn't have to participate; or similarly, if you wanted to get more money then what you were able to get under the current system, you could change grades. Finally, the DATE plan was compared to incentives that were already available to teachers in critical shortage areas.

V.v: DISTRICT.5TX

V.v.a: Interview Selection and Execution

All identified key stakeholders were available and willing to participate in this research. Union_Leader.5TX was hesitant to commit time to an interview but provided a written statement outlining the union's limited role in the district policy-making process.

TABLE V.v: District.5TX Interviewees

Superintendent.5TX	Superintendent	Interviewed
Central_Office.5TX	Associate Superintendent	Interviewed
School_Board1.5TX	School Board Member	Interviewed
School_Board2.5TX	School Board Member	Interviewed
Union_Leader.5TX	Union Leader	Written Correspondence

V.v.b: Case Overview

Prior to the DATE grant, the district had no experience with PRP, though Superintendent.5TX had personal experience with PRP—as a divisive issue—in a previous district. Additionally, some in the district were aware of the controversy around a PRP plan in a large nearby district, which had been covered in the papers. The plan had been heavily criticised by the union leader in that district—who was described as 'militant' (Central_Office.5TX)—for being too convoluted and unfair by the union leader in that district.

V.v.c: Political Context

Superintendent

Superintendent.5TX was described as an experienced and effective superintendent who is a good communicator (School_Board2.5TX). He seems to be less involved in the implementation and design of policy than some superintendents; after making the decision to pursue the DATE grant he delegated the responsibility of planning to Central_Office.5TX and was not heavily involved in the process (Superintendent.5TX, Central_Office.5TX). According to Superintendent.5TX, though he had the power to make an executive decision on the DATE grant, he sought, and got, the approval of his senior staff.

Superintendent.5TX's conception of his position and power is also insightful. He views his position as one of limited political capital, which can be exhausted in the process of implementing unpopular reforms. Though he said that he might have been interested in implementing PRP—his previous experience with PRP in another district led him to believe it could be a good thing—he had never considered attempting it in District.5TX because he thought that due to its divisiveness, it would burn his political capitol.

Superintendent-Board Relationship

The interaction with the school board seems to be largely consistent with the 'corporate' approach where the board provides the general direction—tying his salary to meeting goals (School_Board2.5TX, School_Board1.5TX)—and then the superintendent is given 'great latitude' to execute that direction. Though there was one 'rogue board member' last year—after DATE had already been implemented—who believed that he should have more say on every decision, even that situation has reached a 'détente' and the board and superintendent seem to work together fairly smoothly (School_Board1.5TX, Superintendent.5TX, School_Board2.5TX).

Union

In terms of their influence on policy in District.5TX, the teachers associations' primary mechanisms of leverage are threefold: lobbying school board members on behalf of the staff either privately or at board meetings (School_Board1.5TX, School_Board2.5TX), holding a forum to endorse school board candidates (Superintendent.5TX, School_Board1.5TX, School_Board2.5TX), and bringing grievances (Central_Office.5TX, Superintendent.5TX, School_Board1.5TX). During the DATE planning process they also called Central_Office.5TX and attempted to lobby teacher committee members.

Despite the variety of strategies, the union was described as relatively weak. Superintendent.5TX identified most grievances as being failures in the strictest sense, but politically successful as they serve to portray the union as 'the advocate' for the 'little guy' against the 'big bad district'. It seems that their endorsements—their attempts to get board members they can influence according to School_Board2.5TX—are equally ineffective; School_Board1.5TX said that their attempts haven't won them any board members, Superintendent.5TX said that they had been effective at electing one, and School_Board2.5TX—a teacher in a neighbouring district and union member—has run and been elected three times without the union endorsement.

Union_Leader.5TX states that "the district refuses to talk, let alone negotiate with the union" and that "there is no structure within the district to allow participatory process"—the result of an "entrenched anti-union political establishment" that reinforces district attempts to control policy without collaboration. Because of these dynamics, the union in District.5TX believes that its only opportunity to have a voice is through school board elections.

Union-Superintendent Relationship

Superintendent.5TX's anti-union disposition is also notable. Though he had successfully implemented a PRP pilot in another state, where he was a superintendent prior to his work in Texas, he disliked the union and saw them as an "amalgamation of the least-common denominator", and "malcontents" who constrain progressive ideas. Though he said that the Texas union is not strong or wealthy enough to have a political action committee—in part because unions in Texas lack political clout due to a stronger anti-union mentality in Texas—unions were a major reason he cited for not attempting PRP prior to the DATE grant.

Other Stakeholders

Though not unheard of, the involvement of other stakeholders seems to be limited to 'hot-button' issues (Superintendent.5TX, School_Board2.5TX)—which PRP was not—and is often at the school-level through PTOs (School_Board2.5TX).

V.v.d: Financial Context

Though there were concerns that the state funds would phase out and the programme would be discontinued, the availability of state funds were identified as a key incentive to participate in DATE (Central_Office.5TX, School_Board2.5TX). Everyone interviewed said that the plan was exclusively financed through state funds[245].

V.v.e: Policy-Process

The superintendent made the executive decision to participate in DATE and then passed responsibility for planning to Central_Office.5TX (Superintendent.5TX). Though the union was not included on the planning committee—a decision made by Central_Office.5TX and Superintendent.5TX—teachers, principals, assistant principals, various central office staff, and a board member were all represented on the planning committees. Central_Office.5TX led the committee through a series of meetings that moved from explaining the criteria of the grant, discussing what measures would be used to define student performance, and how non-TAKS[246] subject teachers would be involved.

After working through questions about fairness, validity of measures, and how large rewards should be for various teachers, the planning committee was divided into small teams

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[245] Though District.6TX noted the 'district-match' requirement as the reason for their non-participation, District.5TX (and similarly District.4TX) did not even reference a district match. When asked about the district-match requirement through follow-up, the district said that they were able to meet the district match through counting existing expenditures. There were no 'new' dollars required.

[246] See Acronyms

which each developed their own proposed plans. These plans were quite different and though many felt very strongly about their proposals, the group worked together to reach consensus upon a plan—recognising that not everyone was going to agree on every piece.

In general, the process was governed by two principles—first, an iterative process of using feedback to tweak the plan, and second, an understanding that a focus on 'the best available' should guide decisions. Though the validity and comparability of test scores, for example, may not be ideal, fair compromises that promoted the best—available within the specificity of the grant—rather than the optimal guided the decision-making process.

The final plan focused on 'growth scores' and divided teachers into two tiers. Tier 1 teachers were those who taught tested subject areas and first and second grade teachers. Other teachers and staff members were included in Tier 2 and could receive smaller bonuses based on school-level growth. Rewards were standards-based, with the total money divided between the eligible teachers[247].

Once finalised, the plan was presented to principals who presented to campuses (with a committee member present to answer questions). Because of the problems in the nearby, large, urban district, Central_Office.5TX also produced detailed information to ensure that all communication with teachers was clear and thorough. Campuses then received the opportunity to vote to participate. All campuses voted to participate.

After the plan had been designed, it was presented to the board as an information item for approval (School_Board1.5TX, School_Board2.5TX), which it received.

Despite concerns about fairness shared by board members (School_Board2.5TX) and teachers (Central_Office.5TX), and some concern about creating a competitive environment

[247] The plan also included a cap on the maximum amount a teacher could receive in the event that only a small number of teachers qualified for a bonus.

(Superintendent.5TX), generally, the plan has been well received according to Superintendent.5TX, which he attributes to it being a ‘supplement not a replacement’. Overall, there have been few complaints.

And even though the union was identified as ‘anti-PRP’ (Superintendent.5TX, Central_Office.5TX), they were relatively satisfied with the plan—seemingly accepting it as the best option given the constraints of the grant.

V.vi: DISTRICT.6TX

V.vi.a: Interview Selection and Execution

Superintendent.6TX requested that school board members not be interviewed (See Section VIV.iiib). Because the decision to not participate in the DATE grant was a fairly centralised process—and appears to not have involved the board—this situation, though not preferable, does not call the information provided by the interviewed stakeholders into question.

TABLE V.vi: District.6TX Interviews

Superintendent.6TX	Superintendent	Interviewed
Central_Office1.6TX	Administrator	Interviewed
Central_Office2.6TX	Administrator	Interviewed
School_Board1.6TX	School Board Member	Not Interviewed
School_Board2.6TX	School Board Member	Not Interviewed
Union_Leader.6TX	Union Leader	Interviewed

V.vi.b: Case Overview

Prior to the DATE grant, the district had participated in Texas Educator Excellence Grant (TEEG), which targeted campuses with the highest percentages of educationally disadvantaged students. Of campuses in the top 50% in terms of economically disadvantaged students, those who were rated 'Exemplary' or 'Recognised'[248] or who met alternative standards based on improvement were eligible to receive a grant from the state in order to reward teachers. Teacher awards were based on a combination of student test scores, collaboration, teaching in a hard-to-staff content area, or other evaluated characteristics. One campus in particular had a very positive experience

[248] Based on the Texas state assessment—TAKS.

with the grant, using the funds to increase teacher capacity, change the school culture, and improve student achievement.

V.vi.c: Political Context

Superintendent

Generally, when it came to DATE, the superintendent seemed to be a delegator. Though the superintendent was informed at each step and had to sign-off on the final plans, he was not a regular member in discussions (Central_Office.6TX). When asked about the current status of the programme[249], the superintendent was unsure whether or not District.6TX was still participating, which likely indicates at least a degree of uninvolvement.

School Board

The superintendent requested that school board members not be contacted. Interviews were conducted just a few weeks after school board elections had taken place. The elections had been uncharacteristically ugly. A small grassroots union started by a former district employee had really created dissention and controversy and several incumbents had been unseated (Union_Leader.6TX). However, it appears that the school board was not really involved in any of the decisions regarding the DATE grant—it was simply presented to them as an information item, which they approved (Central_Office2.6TX). It was not a notable issue because it—DATE II—did not require local funds (Superintendent.6.TX).

Union

In District.6TX, there are five relatively small competing organisations, including one organisation started by a district teacher, which is known for creating controversy (Union_Leader.6TX). The unions did not play a role in the decision to not participate in DATE I or to

[249] The district is still participating though the future of the initiative is in jeopardy due to budget constraints at the state level

participate in DATE II in District.6TX (Superintendent.6TX, Central_Office2.6TX, Union_Leader.6TX). The superintendent acknowledged that he would have expected kickback from the union if the district had opted to participate in DATE I. However, he also said that central office does not "fear them at all", and that while they may influence the board, they don't have any leverage on his decisions—likely because aside from commenting at board meetings and bringing grievances, their role is quite limited. Union_Leader.6TX said that unions are not really recognised in the state of Texas with few exceptional districts. In Texas, "you just don't go out and protest" (Union_Leader.6TX).

The district attempts to include teachers in the conversation; according to the superintendent, "keep(ing) teachers in the loop" was the goal of taking the initial decision to the site-based committee. Historically, the unions have not had much opportunity to influence policy aside from building relationships with the superintendent, central office staff, and school board members—which Union_Leader.6TX describes as positive relationships.

V.vi.d: Financial Context

Financial considerations played a significant role in the decision to not pursue the DATE grant. Specifically, the district was deterred from participation due to the district-match requirement (discussed in more detail below).

V.vi.e: Policy-Process

When the DATE grant was passed in 2006, District.6TX's sceptical. The superintendent, though he recognised the opportunity to potentially get more money for teachers, had and continues to have doubts about the effectiveness of PRP. He said that he is not sure there is a basis for it and that he has yet to be confronted with evidence that teachers' value-added can be identified and rewarded, let alone that this process improves student achievement—concerns that were echoed by Central_Office2.6TX. However, he did not make an "arbitrary superintendent decision" (Superintendent.6TX), but instead sent the item to the site-based decision making body—a group comprised of elected representatives from local campuses, who voted against participation (Superintendent.6TX, Central_Office1.6TX).

The reasons cited for choosing not to participate were financial ones. The first and most significant obstacle was the requirement for district-matching funds included in the DATE grant (Superintendent.6.TX, Central_Office1.6TX, Central_Office2.6TX). According to the Superintendent, if it had just been extra state money then that would have been enough to ensure participation even against his other concerns about the efficacy of PRP. But, due at least in part to those reservations, the district did not want to use local funds for PRP that could be used for across the board salary increases, for example (Superintendent.6TX). A secondary concern was the potentially temporary nature of the funding; if the funds were taken away after a few years that could create financial strain (Superintendent.6TX, Central_Office2.6TX).

When DATE was renewed in 2009—in what district officials refer to as 'DATE II'—the 'district match' requirement was eliminated[250], and District.6TX choose to participate. This participation was the result, at least in part, of the district's positive experiences with TEEG, a previous PRP grant.

In the end, District.6TX decided to focus on the 8 campuses that had not achieved 'Recognised' status[251]. The Superintendent made this decision (Central_Office1.6TX). After the decision about which campuses would be included was made, the Superintendent's role appears to have been fairly limited. Central_Office1.6TX led the process of developing committees—campuses were encouraged to have 'diverse teams', including those who were not enthusiastic about DATE

[250] Its practical existence in 'DATE I' is questionable—as other districts found creative solutions to the requirement—but it was formally removed in 'DATE II'.
[251] TAKS exams.

II—on each campus who each developed their own plans. Each plan had to include collaborative planning and Professional Learning Community, technology, and curriculum training. Then each campus was encouraged to pick two to five other things that they wanted to emphasise. However, student achievement had to improve by 2% in order for teachers to receive bonuses (Central_Office1.6TX).

APPENDIX VI: Interivew Schedule Comparability

The U.S. interview schedule had a few sections: background questions, inquiries about relevant actors and relationships between actors, questions about financial context, and then a detailed inquiry into the policy-making process. The policy-making process was further divided into a series of phases: inception consideration, plan design, and plan implementation.

However, though the structure and sequence was a bit different than the international case studies, the central elements of ACI are reflected in the U.S. interview schedules. Table VI.i organises presents the U.S. interview schedule in a format that parallels the international case study interview schedules and also connects the interview questions to the theoretical framework which guides this inquiry.

There are three main differences between this interview schedule and the international guides. First, because U.S. cases included both participating and non-participating (or reform and non-reform) cases, there were additional questions about reasons for non-participation. Second, the U.S. interview schedule also included a deeper exploration of implementation consequences and reactions which are not all included in Table VI.i as they are outside the scope of interest for this inquiry. Third, there were two dimensions covered in the interview schedule that are not addressed explicitly in the U.S. cases: the 'general preferences or goals' of local teachers' unions and issues of interest aggregation and representation.

TABLE VI.i: U.S. Interview schedules and the ACI Framework

QUESTIONS	LINK TO ANALYTIC FRAMEWORK
<u>BACKGROUND</u> Who are you, what do you do? How long have you been [in the capacity that you are currently in] OR for what time period did you serve in [x capacity]?	
<u>PLAN OVERVIEW</u> Describe the plan that you developed.	
<u>PROCESS OF DEVELOPMENT</u> ...*Describe the process through which PRP became a point of discussion.(inception)* ...*Who would you say was most instrumental in moving discussion of PRP forward? (decision to move forward)* ...*Can you describe the process through which consensus was reached about the plans' design and potential implementation? (planning to development)* ... *What impact have these changes had? How have they evolved over time?(implementation)*	PP2, PP1
<u>WHAT ACTORS WERE SIGNIFICANT</u> Who were the major actors involved in designing the plan? (Or the decision to not design a plan). Were there any (other) groups who you would identify as key players in the decision to implement/not implement PRP? ...*Did parents participate in or influence the decision to attempt/not attempt PRP?* ...*ON the whole, would you say that your district has actively engaged parents? So was their involvement/uninvolvement in the decision for/against PRP higher/lower than or about on par with typical parent engagement?* ...*Was there a general sense of support, opposition, or neutrality in terms of public opinion?*	I4, AIO8
<u>TYPICAL UNION-DISTRICT 'BARGAINING' EXPERIENCE</u> Typical 'bargaining' experience... ...*(TX) Since you don't have collective bargaining, in what, if any, ways are unions involved in discussions about policy?* ...*(FL) Outside of the collective bargaining process, how are unions included in policy discussions?* ...*(FL) How often does the collective bargaining stall or require arbitration?*	I4, I5
<u>RELATIONSHIPS</u> Describe the working relationship between the union and district. ...*How would you describe/characterise the union president?* ...*How would you describe the superintendent?* ...*How would you describe the school board?* ...*How often do you meet/collaborate with them?*	AIO8

<u>PERCEPTIONS AND PREFERENCES</u> What actors or groups of actors were interested in potentially implementing PRP? Why? What actors or groups of actors were opposed to PRP or had significant reservations? What were these reservations? When it comes to PRP, how would you describe your position? *...What are your major goals? (Or, in an ideal world, how would a discussion about implementing PRP end?)* *...What are your major reservations?* *...Did you have any goals or requirements that were absolutely non-negotiable? (Did you perceive that 'they' had any goals or requirements that were absolutely non-negotiable?)* *...What did you perceive to be 'their' major goals/reservations?* ... *When the changes were first proposed, what was [your/your organisation's] initial reaction?* ... *How satisfied were you with the final plan?*	PP1, PP2 APref6, APref7 ACap9
<u>CONFLICT AND COMPROMISE</u> What, if any, challenges/conflicts arose during the decision-making/planning/implementation process? *...How were any challenges/conflicts resolved?* *...What compromises, if any, were made between these groups' original goals and the final plan?* ...what would you identify as the key to overcoming opposition in this instance?	I3, I5, AIO8, APerc6, APref7, PP2, AIO8
<u>FINANCIAL CONTEXT</u> What role did financial considerations play in the decisions to participate/not participate in the state's PRP programme? (incentive to participative/disincentive/no effect) *...if you had not been experiencing financial strain, do you think that you would have made the same decision?* *...If not for [whatever reason was given for financial disincentives], do you think that the district have opted to participate?* Over the course of your time working with the school district, how limiting were/have financial considerations (been)? Based on your experiences and your knowledge of other districts, would you way that your district has more, fewer, or about the same amount of resources as other districts in your state?	
<u>IF THE DISTRICT OPTED TO NOT PARTICIPATE</u> In your opinion, what factors were the most influential in the decision to not pursue a PRP plan/policy?	

APPENDIX VII: Typological Definition of PRP

Approaches to differentiating compensation on the basis of performance come in many forms and under several names. Michael Armstrong (2009) develops a schema for what he labels 'reward management' that provides a useful starting point to defining the application of pay-for-performance in education. First, Armstrong distinguishes between bonus schemes and contingent pay schemes; while the former is premised on one-time rewards, the latter incorporates rewards into base-compensation, and the two approaches are not mutually exclusive. Reward management approaches can further be disaggregated according to whether rewards are awarded to individuals or teams and on the basis of what is rewarded. Contingent pay schemes are necessarily individually-based rewards (as they are incorporated into base pay), but bonuses can be awarded to groups, individuals, or a combination of the two. Both contingent pay schemes and bonus schemes can be awarded on the basis of outputs—either quantifiable, objective measures or subjective evaluations; inputs; or some combination of the two.

Table VII.i: Armstrong's Differentiated Compensation Schema

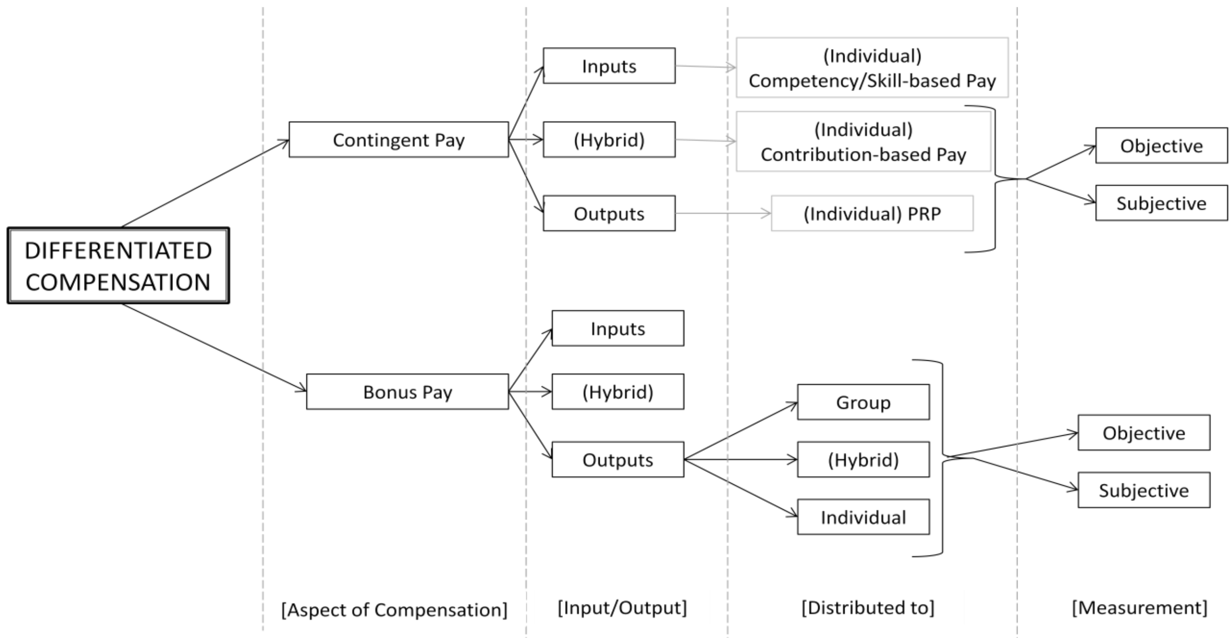
	Type	*Summary*	*Distributed to…*	*Input/Output*
Contingent Pay Schemes	**Performance-related pay**	*Base compensation is differentiated on the basis of some measured or evaluated output.*	Individual	Output (quantifiable or subjective)
	Contribution-related pay	*Base compensation is differentiated on the basis of results (output) and competence (inputs).*	Individual	Hybrid
	Competency-related pay/Skill-based pay	*Base compensation is linked to 'competencies', linking rewards to what people are capable of doing (or to the possession of specific skills) rather than results for which they have limited control. (The professional/management version of skill-based pay)*	Individual	Input
Bonus Pay Schemes	**Cash-based profit-sharing/Gain-sharing scheme**	*Employee rewards are linked to company gains/profits.*	Individual	Output
	Individual Bonuses	*Bonuses are awarded to individuals on the basis of some identified measure.*	Individual	Output, input, or both
	Team Pay	*Bonuses are awarded to teams of individuals within an organisation on the basis of some identified output.*	Group	Output
	Business Performance	*Bonuses are awarded to entire organisations on the basis of some identified output/target.*	Group	Output
	Combination Plans	*Bonuses are awarded to individuals, teams, and organisations on the basis of some identified output/target.*	Hybrid	Output

Armstrong's schema (Table Vii.i) is rooted in private-sector compensation. Because of the explicit transfer and application of private-sector compensation strategies to the public-sector, the schema provides a relevant starting point for talking about approaches to the differentiation of teacher compensation. However, all of the types of pay schemes may not be equally relevant to teacher compensation—for example cash-based profit-sharing and gain-sharing bonuses. Furthermore, terminology is employed in different ways in education policy and research from Armstrong's use.

Like Armstrong's work, the research on differentiated compensation in education distinguishes approaches on the basis of whether or not incentives are targeted at individuals or groups and then whether incentives are linked to inputs or outputs. Historically, many have distinguished 'merit-pay'—individual incentives based on subjective assessments of teaching effectiveness, a popular civil service reform in the 1980s—from 'performance-related pay'—individual incentives based on objective measures like test scores or other quantifiable indicators—and then created a separate category for school-level incentives (Podgursky & Springer, 2007; Prentice, Burgess, & Propper, 2007).

However, these categories—merit-pay, performance-related pay, and school-level incentives—are often used interchangeably (Gratz ,2005), and even if they were applied in a more systematic way, they would still obscure important nuances. The first limitation is that none of the aforementioned terms differentiate between contingent pay schemes and bonus schemes. Though the majority of, though not all, reforms in education involve bonuses rather than contingent pay schemes, the existing terminology obscures this potentially important distinction. Secondly, many applications of performance incentives are hybrid types, combining group and individual rewards, inputs and outputs, as well as subjective and objective measures of inputs. Finally, in addition to these categorical distinctions, there can be wide and important variation in terms of the size of the reward, whether it is a one time or annual award, among other differences that may greatly influence the (in)effectiveness of the incentive. As a result "there may be as much variation within (existing) operational schemes as there is between them" (Prentice, Burgess, & Propper, 2007).

Figure VII.ii: Differentiated Compensation Disaggregated Schema



Differentiated compensation is a broad and encompassing concept. However, the reforms that Moe would suggest are needed and which he suggests are impeded by strong unions are more specific: those that link teacher pay—either groups, or preferably, individuals—to outputs[252]. So, despite the number of available terms applied to differentiated compensation and their divergent applications, in this dissertation performance-related pay (PRP) will refer to approaches that link teacher compensation—either in terms of teachers' base pay or through bonuses—to outputs[253].

Though all of the reforms investigated in Chapters 5, 6, and 8 meet this definition, they also reflect a diversity of approaches and strategies. Johnson & Papay (2009) provide a framework for PRP in education which differentiates strategies on three dimensions: how performance is measured, whether awards are standards-based or relative, and whether awards go to groups or individuals.

Table VII.iii: Classifying[254] PRP Reform in Finland, Zürich, and the United States[255]

[252] In particular, Moe advocates linking teachers' pay to student achievement scores
[253] Proposals to pay teachers on the basis of knowledge and skills or for additional work/responsibilities that do *not* include any link to outputs, will be referred to under the more general label of differentiated compensation.
[254] Classifications are based on case data, summaries of which are provided in case appendices
[255] Johnson & Papay (2009), p. 17.

		How to measure performance			
		Student Achievement	**Professional evaluation**	**Mixed measures**	
How to identify top performers	**Relative Rankings**		HL [Finland], MAB [Zürich]	STAR [FL]	**Individual**
					Group
	Standards-based	DATE [District.5TX]		MAP [FL]	**Individual**
		MAP [FL], DATE [District.4TX], DATE [District.5TX], DATE II [District.6TX]			**Group**

Adams and Heywood (2009) do not differentiate between relative and standards-based awards, but differentiate between and outline the limitations and pitfalls of formulaic individual awards (student-achievement based), individual judgment-based awards (professional evaluation), and group-based awards. Each system has particular limitations: Though group-based incentives encourage teamwork, they may suffer from 'free-rider' problems; formulaic individual awards are subject to distortion, multi-tasking, and inflation; and judgment-based incentives can be erroneous or biased (Rothstein, 2009). However, the common themes in the controversies around the variants of PRP are questions of validity and fairness.

APPENDIX VIII: Consocotiationalism, Consensus-Orientation, and Corporatism

According to Arend Lijphart, though consociationalism and consensualism are related concepts that both feature power-sharing within a democracy, they are not equivalent concepts. It is tempting to use the terms interchangeably—and some do—but Lijphart (2008) emphasises that:

> "Consociational and consensus democracy have a large area of overlap, but neither is completely encompassed by the other. This means that consociational democracy cannot be seen as a special form of consensus democracy or vice-versa" (p. 8).

The concepts of consociationalism and consensualism were developed to fill the gaps produced by previous theories that attempted to explain a country's degree of political stability as a product of its political culture and social structure. In 1956, Gabriel Almond articulated a theory that the difference between the stability and effectiveness of Anglo-American political systems compared to Continental European systems, with their penchant for instability and immobilism, was explained by the fragmented political culture and deep social cleavages of continental Europe. His work was built on the foundation of work of Arthur Bentley and David B. Truman on "overlapping memberships", and by Seymour Martin Lipset's (1960) work on "crosscutting cleavages". Together, their work suggested that when individuals in a society were members of many groups with diverse interests and outlooks, that produced moderate outlooks (Anglo-American), while fragmented societies with sharp cleavages produced more radical political views and behaviors (Continental Europe).

However, these theories couldn't adequately explain the stability—despite cultural fragmentation—of the Scandinavian and Low Countries and Switzerland. Lijphart investigated the Netherlands as a 'crucial case' and suggested that 'consociationalism' made stable democracy possible in divided societies (Lijphart, 1975b). Consociational democracy, based on Lijphart's study of the Netherlands and elaborated in later work, is a broad category whose essential characteristic is a "deliberate joint effort by the elites to stabilise the system" (Lijphart, 2008, p. 29). Characterised by what happens, rather than political institutional arrangements, elites who understand the perils of fragmentation and are committed to the maintenance of the political system—whatever its form—and who use their ability to accommodate and transcend subcultures to do so are trademarks of successful consociational democracy (Lijphart, 2008).

While consociationalism was derived from examining the commonalities of a set of consensus-oriented democracies, Lijphart's articulation of 'consensualism' was the product of the inverse research approach to the same problem[256]: To derive 'consensensual democracies', Lijphart first defined majoritarian democracy and the constructed consensualism as its inverse (See Table VIII.i).

TABLE VIII.i: Majoritarian versus Consensual Democracy

ASPECTS	MAJORITARIAN DEMOCRACY	CONSENSUAL DEMOCRACY
Concentration of executive power…	Single-majority cabinet	Broad coalitions
Executive-Legislative Relationships…	Dominant Executive	Executive-Legislative Balance
Party system	Two-party system	Multi-party system
Electoral System	Majoritarian (disproportional)	Proportional Representation
Interest Group System	Pluralist, with "free for all competition"	Coordinated/Corporatist, aimed at compromise and concertation

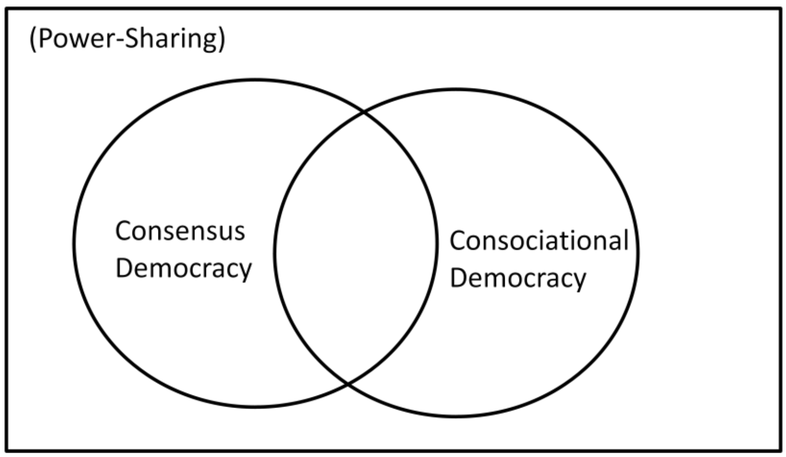
In his work, *Types of Democracy* (1999), Lijphart employs consensualism/majoritarianism as one dimension in his typology of democracies—the other is the degree of centralisation, or the unitary/federalism dimension[257]. Lijphart finds that a countries' location on the

[256] Attempting to explain the stability possible in divided societies.

[257] Unitary systems are characterised by centralised government, a unicameral legislature, a flexible constitution and/or legislative rules on constitutionality, and central banks controlled by the executive. Federal systems are characterised by decentralised government, a bicameral legislature, rigid constitutional rules (requiring supermajorities for amendments), laws subject to judicial review, and independent central banks. Lijphart suggests a relationship between unitary and majoritarian systems and federal and consensual systems.

majoritarian/consensualism spectrum is highly correlated across the aspects outlined in Table VIII.ii (1999). So, while both consociationalism and consensualism describe 'power-sharing democracies', consensualism is a more formal articulation of the institutional arrangement of a democracy, while consociationalism is process-centric. Thus, the relationship between consociationalism and consensualism are overlapping, though non-encompassing, concepts that are united by a concern for power-sharing (see Figure VIII.ii).

FIGURE VIII.ii: Mapping Power-Sharing, Consensus Democracy, and Consociational Democracy



How does corporatism relate to power-sharing concepts? Within this framework, corporatism, narrowly defined, is a sub-component—a formal institution—of consensusualism, describing the nature of the relationship between interest groups and the state. The reasons for a given group's exclusion or inclusion are further developed by considering the logic of corporatism—a feature of consensual democracies which categorises the relationships between interest groups and the state.