ACTORS AND SOCIAL POLICY INNOVATION AT STATE-LEVEL: AN ANALYTICAL FRAMEWORK FOR THE CASE OF MEXICO

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ABSTRACT
The role of sub-national governments as social policy innovators has been scarcely studied, especially in Latin America. In Mexico, state governments have been more active in designing and implementing their own social policy initiatives over the last decade. The aim of this work is to develop an analytical framework focused on the role of policy actors in the process of policy innovation at state level, especially in the countries where state-level policy innovation is incipient, such as in Mexico. This analytical framework emphasizes the importance of paying attention to the characteristics of key actors, in a context of particular political and institutional factors, in order to understand the complex processes involved in social policy innovation at state-level.

KEYWORDS: Policy Change, Policy Entrepreneurship, Subnational Policy, Policy Ideas.

INTRODUCTION

In developed countries state-level policy innovation has been a major topic of research by political scientists for several decades, particularly in the United States (Berry & Berry, 1990; 1999; 2014; Galle & Leathy, 2009; Volden, Ting, Carpenter, 2008). In fact, the opportunity for greater policy innovation has been presented as one of the greatest advantages of federalism -or decentralization- in the literature. The metaphor "laboratories of democracy", popularized in the US federal system, captures this point and implies that states constitute an ideal

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environment to create and experiment new policies (Greve, 2001). Hence, the premise that decentralization leads to the emergence of many competing "laboratories of democracy", in which policy innovation is a natural tendency (Galle & Leathy, 2009), is well known in this literature.

Unlike other developed countries, in Mexico -a federal Union with three tiers of government (federal, state and municipal), inspired by the US federal system- policy innovation is an unexplored topic. Among the reasons for this is the federal government´s *de facto* control over all policy areas, including social policy. However, since the end of the 1980's the Mexican federal system has undergone different administrative, fiscal and political decentralization processes. Consequently, the indisputable hegemony of the federal government in policy making is no longer in place.

There is some evidence that state policy innovation is taking place in Mexico (Hudson & Medrano, 2013; Medrano & Smith, 2014). In the last decade, several states have introduced different social policy programs, such as the non contributory pension for the elderly, employment insurance, cash transfers for lone mothers and school children, among other (Canto, 2010; Hudson & Medrano, 2013). These initiatives suggest that important policy changes are in motion at subnational level. In fact, Mexico City is the most remarkable case of social policy innovation, as will be discussed in the following sections. Despite these initiatives, state policy innovation has hardly been studied in Mexico. The characteristics, extent, and causes of this phenomenon certainly deserve a thorough analysis from different perspectives and lines of research.

This work proposes an analytical framework to better understand the interplay of different key factors behind the decision of state governments to innovate in the realm of social policy. In particular, this framework explores the relationship between key characteristic of policy actors and social policy innovation in the context of relevant economic, political and institutional variables at subnational level.

Additionally, this model is focused on countries where participation in state policy-making is incipient, such as in Mexico. To do so, the proposed analytical framework incorporates actor-centered approaches to explain endogenous policy change (Haseenteufel *et al.*, 2010; Genieys & Smyrl, 2008), and relevant institutional and political variables identify by the traditional policy innovation literature.

The rest of this paper is organized in the following way. In the second part, the main premise of the paper and definition of social policy innovation in federal systems are briefly discussed. In the third section,

some evidence of the increasing involvement of subnational governments in social policymaking in Mexico is presented. The fourth section describes the analytical framework to analyze state policy making in the context of incipient policy-making at state level. Finally, some conclusive remarks are included.

SOCIAL POLICY INNOVATION AT THE STATE LEVEL IN FEDERAL SYSTEMS

Overall, state policy innovation refers to the adoption of a policy or piece of legislation that is new to a state (Mintrom, 1997; Berry & Berry, 1990, 1999). Policy innovation is different from creating new policies -inventing something new to the world- because the former means that a policy just has to be new to a given state.[2] Policy innovation also differs from policy ideas in that they have to be made operational, or implemented by a state government. This general definition departs from the well-known Walker's definition of policy innovation, which refers to "a program or policy which is new to the states adopting it, no matter how old the program may be or how many other states may have adopted it" (Walker, 1969, p. 881).

This study focuses on a specific field of governmental action-social policy. Generally, social policy refers to a wide array of social programs or actions of governments to provide money and services to its citizens in areas, such as "social security, social assistance, health services, education services, housing provision and subsidies, and social personal services" (Baldock, Manning, Vickerstaff, 2007, p. 8).

Social policies or programs usually involve either transfers of income or provide services to individuals to fulfill basic social rights (e.g. education, health care or social assistance). For the purposes of this study, state-level social policy innovation refers to the adoption of a particular social policy or social program that

2. State policy innovation can also be defined as the creation of novel policy approaches or programs to address local issues (Newton, 2012). This definition tries to capture "policy creativity and leadership among state´s governors", as innovative policy or legislation may "diverge from federal policy because states face unique problems requiring customized solutions or, because as states, they are uniquely suited in their jurisdictional authority to offer some specific types of solutions" (Newton, 2012, pp. 115-116).

is considered to be new in a given state. Additionally, this study focuses on federal systems, particularly in the context of incipient participation of states in social policy-making, such as Mexico.

As previously mentioned, policy innovation has received a great deal of attention in developed countries, particularly in the United States (Galle & Leathy, 2009; Volden, Ting, Carpenter, 2008; Miller, 2004; Rom, 2014). This is not surprising since the US federal system is one of the most decentralized federal design models in the world (Stepan, 2005).

In fact, policy differentiation is assumed to be part of decentralized government. While central governments are presumed to provide a uniform level of public goods and regulations for all states, decentralized decision-making is better able to tailor policies to local tastes. This is the logic of Oates' (1972) famous decentralization theorem, which states that, in the absence of spillovers, decentralization is welfare superior to centralized decision making.

Unsurprisingly, a decentralized government offers the opportunity for greater policy innovation and therefore has been a basic argument in favor of federalism. The metaphor of "laboratories of democracy", popularized in the US federal system, captures this point, and refers to how state and local governments create and implement laws and policies. If any one or more of state policies are successful, they can be expanded to the national level (Greve, 2001).

This metaphor involves two main assumptions. The first assumption is that there exists a system of state autonomy, within the federal framework, which assigns ample policymaking power to the state governments. The second assumption is that the autonomous states actually enact different policies -which the federal government can eventually implement at national level-.

Policy innovation however is not a natural trend in decentralized systems (Galle & Lethy, 2009).[3] Innovation is not an easy option. The risks associated with innovation, as the outcomes of innovative policies are uncertain, figures among the factors that may deter state policy innovation. State governments find

3. See Galle and Leathy (2009) for a summary of the restrictions of policy innovation in federal systems, from a public choice perspective.

it difficult to assess the success of a new policy, and when results might appear, or what unintended con-sequences may result (Cels, de Jong, & Nauta, 2012). Therefore, embracing innovation is not necessarily rational or the most desirable course of action. Never-theless, policy innovation is often implicitly assumed to be an inevitable consequence of the increasing subnational autonomy in the face of decentralization (see Greer, 2006).

The "promise of doing things different" usually figures among the expectations of any decentralization process (Greer, 2006, p. 157). In other words, it is assumed that decentralization allows for states´ initiative to design their own policy to respond to the particular issues and demands in their territories -which are otherwise constricted by centralization-. Moreover, the introduction of enhanced actors (sub-national governments with more power and faculties) to the already complex and contingent policymaking process make it more likely that similar governments and societies will opt for different policies (Greer, 2006, p. 161).

In sum, beyond the real and potential restrictions, the general assumption is that federal systems -or decentralized government- provide a better environment for subnational policy innovation than centralized systems. In the context of different processes of de-centralization across the Western world, the study of the real and potential state policy innovation deserves meticulous attention.

This is particularly true in the case of developing countries, such as Mexico, where different processes of decentralization have advanced over the last three decades. Nevertheless, state policy innovation has received little attention. In line with this argument, this work discusses an analytical framework to better understand social policy innovation in the context of developing countries, such as Mexico. To do so, the main factors related to state policy innovation are briefly discussed in the following section.

DETERMINANTS OF STATE POLICY INNOVATION

One of the central research questions about state innovation is precisely, what causes a state government to adopt a new policy or program? In the context of developed countries, particularly in the USA, the factors that are behind the decision of state governments to adopt or not a given policy are commonly studied as part of either a process of policy innovation or diffusion.[4] These labels are often used interchangeably as both processes involve the decision of adopting a given policy (Berry & Berry, 1990; 1999; 2007; 2014; Miller, 2004; Boehmke & Skinner, 2012; Whitaker *et al.*, 2012).

Overall, the determinants of state policy innovation are divided into internal and external factors (Berry & Berry, 1990; 1999; 2007; 2014; Miller, 2004; Boehmke, & Skinner, 2012; Whitaker *et al.*, 2012). Internal factors of policy innovation refers to economic, political, and social conditions within states that influences the decisions of state officials to adopt a new policy, such as electoral competition (Boushey, 2014) or a change in partisan control of state government; state officials' ideology or citizen ideology (Ma, 2015; Grossback, Nicholson-Crotty and Peterson 2004; Volden 2006; Berry & Berry, 1990; Walker, 1969), wealth and size of the state (Boehmke & Skinner, 2012), or institutional makeup (Boehmke, 2005). In short, the internal factors essentially refer to political, economic, and societal or social conditions internal to the state (see table 1).

External factors essentially refer to the idea that governments learn from each other's policy experimentations. It is important to bear in mind that a great deal of policy innovation (and diffusion) literature focused on the American federal system, where states have shown innovativeness for several decades. For this reason, the external determinants of state policy innovation refer to pressures or influences from other states, mainly due to vicinity or proximity from each other. Hence, these external factors are usually applied in policy diffusion studies and focus on the intergovernmental influence of one or more states on the actions of another state.

4. The analysis of the decision of 'states' government to adopt a given policy option is related to either policy innovation or policy diffusion. However, this latter notion is focused on the process involving the spread of a policy from one state to other states, which comprises certainly the decision of a given state government to adopt a particular policy option. Overall, policy diffusion refers to the spread of policies from state to state, and how the decision of one state affects other state´s decision to adopt a given policy, that is, the interdependence character of such decision (Marsh & Sharman, 2009).

Accordingly, the primary hypothesis in studies that analyze this factor is that the probability of adoption of a new policy increases relative to the proportion of adopting neighboring states (Mintrom, 1997).

TABLE 1
PRINCIPAL DETERMINANTS OF STATE POLICY INNOVATION IN FEDERAL SYSTEMS

Type of factor	Examples
Internal	
Political	Electoral or interparty competition; divided or unified government; interest groups that support (or reject) a given policy; partisan ideology; year of election.
Bureaucratic and organizational factors	- Characteristics of legislatures (e.g. level of professionalization), and of the executive and administration (number of staff; executive structure). - Characteristics of the executive (governors) and government officials (e.g. elite ideology and priorities; professional characteristics).
Economic and fiscal	Economic development of the state; fiscal health or amount of financial resources.
Societal, demographic, or socioeconomic	Societal or cultural norms (e.g. religion); public opinion or public demands; size of population of the state; proportion of poverty.
External (neighborhood effects)	Geographical proximity; interstate networks among government officials.

Source: Own elaboration based on Berry & Berry, 1990; 1999; Boehmke & Skinner, 2012; Whitaker *et al.*, 2012).

In the literature, it is widely accepted that both internal and external factors influence states' likelihood for policy innovation (Berry & Berry, 1990; 1999; 2007; 2014; Miller, 2004; Boehmke, & Skinner, 2012; Whitaker *et al.*, 2012). Berry and Berry (1990; 1999) pioneered the development of one state policy innovation model and policy diffusion, using both terms interchangeably that integrated internal and external explanatory variables. To do this, these authors depart from Mohr's (1969, p. 111) theory that the propensity to innovate is a function of "the motivation to innovate, the strength of obstacles against innovation, and the availability of resources for overcoming such obstacles". Furthermore, this theory argues, "innovation is directly related to the strength to innovate, inversely related to the strength of the obstacles of innovation, and directly related to the availability of resources to overcoming such obstacles" (Miller, 2014, p. 38).

However, the interplay of these dimensions (motivations, resources and obstacles), as well as their relative weight in the explanation of the process of innovation, depends on the kind of policy in a given

state as well as period of time. Moreover, "what are considered to be obstacles and resources also depends in part on the specific policy area being considered" (Miller, 2004, p. 38). However, it is important to bear in mind that state policy innovation literature in federal systems is focused on developed countries, particularly in USA, where a great deal of quantitative data that spans over several decades is available.

Hence, it is not surprising that a great extent of this literature is based on quantitative studies. One of the main advantages of these studies is to show the extent and nature of a correlation of different variables. However, the logic and the dynamics behind the decision of state governments to introduce new policies in their jurisdictions, in a given context, usually falls short in their analysis. Moreover, the characteristics of policy actors (motivations, interests, professional profile, among other) are not necessarily treated as attributes of specific actors (and studied from an individual level of analysis) but subsumed into bureaucratic or organizational factors (see Miller, 2004).

The analytical framework proposed here incorporates in another theoretical approaches, which are focused on actors, as will be discussed later on. Nevertheless, the account of factors offered by traditional policy innovation literature is useful to develop an analytical framework for state policy innovation in developing countries, with a tradition of the facto centralized government, such as Mexico. Before explaining this framework, the context and evidence of state-level social policy innovation in Mexico are briefly discussed in the following section.

THE EMERGE OF STATE-LEVEL SOCIAL POLICY IN MEXICO

In the Mexican federal system, the long tradition of *de facto* centralization made it virtually impossible to imagine innovative subnational governments. However, over the last decade this seems to be changing. In particular, state governments are increasingly implementing social programs considered to be new or different in their territories. Mexico City is the most notable example in this trend (Canto, 2010; Hudson & Medrano, 2013).

The national context in which this is happening is complex. The most common characteristics of the Mexican national welfare system-high stratification and fragmentation, providing unequal access to social benefits and services (Barba, 2010; Valencia, 2010). The configuration of this welfare regimen has traditionally led to the exclusion of large portions of the population from any formal social protection coverage, particularly the poor.

However, Mexico's welfare regime has gone through substantive changes over the last three decades. Although the causes and characteristics of such changes is not the topic of this work, they can be summarized into two main streams of change. The first stream started in the 1980's, when the federal government implemented neoliberal social reforms (Valencia, 2010; Boltvinik, 2004; Laurell, 2003).

These changes included the privatization of pensions; decentralization of education and health care services; and the introduction of a new model of social assistance (or safety net) only for the poorest (Boltvinik, 2004; Barba, 2004). This social assistance model was introduced in 1997, under the form of conditional cash transfers programs only for people living in extreme poverty. This type of programs became the most important federal strategy for attending poverty, as well as a model of social programs design that emphasize focalization and conditionality (Medrano, 2011).

The second stream of change is related to the implementation of federal (and state) non-contributory social programs since the early 2000's. These programs seek to increment the coverage of some basic social services, such as health and pensions. In 2004, the federal government implemented a national non-contributory health program for informal or poor households, named Seguro Popular de Salud in Spanish, which aim to provide health coverage to 50 million uninsured Mexicans.[5]

The Mexican health-system mirrored the inequality and fragmentation of the general welfare system, resulting in the exclusion of a large proportion of the population from access to health care services. In 2000, 57.6 of the population lacked any health coverage (Sepulveda *et al.*, 2007). In 2010 this percentage dropped to 21.5 (OCDE, 2016). This change was mainly due to the introduction of a national insurance health program.

Similarly, the Mexican pension system was fragmented and unequal; traditionally, large portions of the population were excluded. In 2000, the Mexican federal government started to implement non-contributory pensions for the elderly (individual

5. The non-contributory national health program (Seguro Popular de Salud in Spanish) started as pilot program in 2001. In 2004, the federal program launched a national program that aimed to reduce the prevalence of catastrophic health expenditures by providing social protection in health. Seguro Popular consists of health policies and priorities, including entitlements for affiliated families, well defined and limited benefits packages including coverage for 266 unique health interventions, among other initiatives (Seguro Popular, 2013).

of 70 year and older), known as "70 y Más". Originally, this program was targeted only for the poorest, but coverage under the program expanded over subsequent years. In fact, the introduction of non-contributory social programs began at the subnational level in Mexico City (as will be discussed in the next section).

In 2000, the proportion of elderly population receiving a contributory or non-contributory pension was only 20%. The impact of federal (and state) non-contributory pension programs significantly increased the total pension coverage (contributory and non-contributory) for the elderly population. While the percentage of elderly population with contributory pensions only reached 25.3%, in 2010, which signified a very modest increase from 2000, the total coverage of pensions (contributory and non-contributory) increase to 43.7% in the same year.[6]

Undoubtedly, the key characteristics of the welfare system at national level remain the same -i.e. fragmentation and inequality- until date. However, the streams of social policy changes mentioned above had a significant impacted on its configuration. These streams of change occurred in the context of different processes of decentralization since the 1980's.

These processes can be summarized in three aspects: 1) decentralization of education and health services, 2) political decentralization, and 3) relative fiscal decentralization. Overall, the decentralization of education and health care services led to the increase of state-government participation in the provision of education (Ornelas, 2014; Malgouyres, 2014) and health services (Homénedes & Ugalde, 2011; Molina, Vargas and Londoño, 2014). Although the federal government has kept key areas under its control, particularly financial resources (Ornelas, 2014; Malgouyres, 2014; Homénedes and Ugalde, 2011; Molina, Vargas and Londoño, 2014), states governments have certainly gained political leverage and attributions in these policy areas.

In the political realm, Mexico has witnessed increasing political competition and alternation at federal and subnational levels in the last three

6. In Mexico pension coverage had an important increase between 1984 and 2000, but during the last decade has stalled, reaching just 36% in 2010. This performance largely reflects the growth of informality in the country and high mobility between formal and informal labor market (Villa-gómez, 2013).

decades. For almost seven decades, a single party ruled Mexico: the Institutional Revolutionary Party (PRI, acronym for Partido Revolucionario Institucional in Spanish). This party was the main beneficiary of a non-competitive electoral system and enjoyed a near monopoly of all levels of public office. This started to change in the late 1980s. Political competition reached its peak in 2000 when the first democratic federal elections took place and Vicente Fox won the presidential election as the candidate of a coalition of the PAN and the Green Ecologist Party of Mexico (PVEM) (Emmerich *et al.*, 2010). As a result of this increased electoral competition, state governments now have greater political influence in the national political system.

Finally, fiscal decentralization has brought about more revenues for state governments to spend. In Mexico, federal fiscal system comprises two major federal transfers: a) revenue sharing ("participaciones" in Spanish), which are unconditional block grants, equally distributed to every state in the federation, and states government have the right to freely spend them; and b) earmarked transfers ("aportaciones" in Spanish), which are the conditional transfers, consisting of eight different funds, which states must spend based on federal rules.

These eight funds have specific aims, such as health, education, security, and social infrastructure. The majority of these funds, however, are devoted to education and health care services. In the last decade, conditional and unconditional federal transfers have constantly grown (ASF, 2013). However, state governments depend heavily on federal transfers to finance their spending. In 2012, the federal funding as a percentage of state revenue was on average up to 90% (ASF, 2013), except Mexico City. On the other hand, state governments -except Mexico City- that have enabled them to assume debt with little *de facto* federal government interference between 2001 and 2013 (Benton & Smith, 2013). In fact, on average, states have steadily increased their debt over the last decade (Benton & Smith, 2013).

In this context of different process of decentralization, several states have shown initiative to develop their own social programs. Beyond the extent and ways in which different processes of decentralization have influenced the surge of state social policy innovation, there is some evidence that some states have actually implementing their own social policies. The case of Mexico City is the most notable example of social policy innovation at the state level. The city government imple-mented social programs considered to be innovative in the Mexican context (Canto, 2010; Hudson & Medrano, 2013).

The most emblematic social programs implemented are the following: a non-contributory universal pension for the elderly; unemployment benefit (Programa de Seguro de Desempleo del Distrito Federal in Spanish); universal free medicines and health care; and direct

monetary transfers for lone mother in vulnerable social conditions and children in the school, among other socially vulnerable groups.

However, Mexico City is not alone in this innovative spring in social policy. Until very recently, non-contributory pensions or social pensions did not exist in Mexico. All age pensions were earnings related, financed with government subsidies and payroll taxes. Then Mexico City's government firstly introduced a non-contributory universal pension in 2000. This innovation spread across the country, to the point that in 2012, 17 of Mexico's 31 states had introduced non-contributory pensions on their own (Willmore, 2014).

Other popular programs are cash transfers or in-kind for lone mothers and scholarships for children, among others. According to the National Evaluation Council for Social Policy (CONEVAL),[7] the number of social programs implemented by state governments rose from 2,391 in 2010 to 3,788 in 2012, and the budget spent increased from $93.8 billion in 2010 to $137 billion (Mexican pesos) in 2012 (CONEVAL, 2015).

State governments have the legal attributions -and capacity- to define both the content and implementation of the social policy. The analysis particular characteristics and extent of the social policy innovation in each estate, based on available information, exceeds the purpose of this paper. However, according to CONEVAL's database, there is a great divergence in the number, scope and resources allocated to social programs across states. Some states have implemented over hundreds of social programs over the last years (CONEVAL, 2015).

For instance, in 2012, the number of social programs implemented in Chiapas and Querétaro were 253 and 27, respectively. Overall, from 2010 to 202, the states that have registered the higher number of social programs were Chiapas, Mexico City, Estado de México and Veracruz -the last three federal entities figure among the most populated in Mexico, while Chiapas has one of the highest percentage of poverty in the country-.

Beyond the disparities in the number and charac-teristic of state social program, this information

7. The Inventory of State Social Programs integrated and pu-blished by the Social Policy Evaluation National Council (CONEVAL is its acro-nym in Spanish). CONEVAL's database includes information on the administration, objectives, budget and spending, and target populations for each state level pro-gram, which were im-plemented from 2010 to 2012.

provides insight into the extent to which states participate in social policy-making in Mexico. As previously mentioned, the increasing initiative of state governments to innovate in terms of its characteristics, extent, and determinants has yet to be analyzed. This work focused on the identification of the main factors that explains why some states decide to innovate in social policy. In the following section, the framework to analyze applied to conduct this research is explained.

ANALYTICAL FRAMEWORK: ACTORS OF CHANGE AND IDEAS

As mentioned before, policy innovation refers to the adoption of a policy that is considered to be new in a given state, at a given time. Overall, state policy innovation depends on several internal and external factors; the degree of influence varies according to the kind of policy (Berry & Berry, 1990; 1999; 2007; 2014; Miller, 2004; Boehmke & Skinner, 2012; Whitaker *et al.*, 2012).

State policy innovation literature in federal systems is focused on developed countries, particularly USA scholars have extensively researched the determinants of policy innovation and diffusion, in general and related to an array of different policy areas -including lotteries (Berry & Berry, 1990), welfare reform (Soss, Schram, Vartanian & O'Brien, 2001), education reform (Mintrom, 1997), among many others-.

As previously mentioned, a great extent of this literature is based on quantitative studies. Although quantitative studies offer several advantages, which are not going to be discussed here, they do not offer an analysis of the particular logic and the dynamics of the decision of state governments to introduce new policies in their jurisdictions. This is usually bettered captured by qualitative studies. This is particularly the case in a context in which policy innovation is a relatively new phenomenon, and the availability of data to produce quantitative analysis is very limited, such as in Mexico.

Furthermore, in the context of an incipient participation of states in social policy-making, such as in Mexico, the external factors aforementioned (influences of neighboring states) may be non-existent at a certain point in time. This means that pioneering states engaged in policy innovation endeavors may have other kinds of external pressures, such as federal social policy. Nevertheless, this model can contemplates this potential influence of neighboring states. Keeping these limitations in mind, the main purpose of this work is to develop an analytical framework to identify the main factors of state policy innovation, in a context of incipient state policy activism, such as in Mexico.

This analytical framework focuses on actor-centered approaches to explain policy change (Genieys and Smyrl, 2008a; Hessenteufel *et al.*, 2010), and some of the key factors identified by the policy innovation literature in federal systems. The factors included in framework are summarized as follows:

a) **Economic and fiscal resources.** Overall, this refers to relative level of wealth of the state. The general hypothesis is that governments with high level of economic development are more likely to adopt new policies or programs (Berry & Berry, 2007). Unlike federal government, states have less access to taxing options and debt; and "their finances depend on decisions of the central state" (Greer, 2010, p. 408). The general hypothesis is that the state with more financial resources available is more likely to innovate in social policy (Berry & Berry, 1999, 2007).

b) **Political-electoral factors.** In particular, this framework pay attention to two main variables: 1) electoral competition in state elections; and 2) partisan ideology of the incumbent party in the state. This last factor is related to the ideological standpoint (e.g. right or leftist party) of the ruling political party of the state at the time of introducing a social policy innovation, as well as the ideological standpoint of the ruling political party at federal level. Overall, the main hypothesis is that electoral competition is positively related to social policy innovation (Barrilleaux, Holbrook & Langer, 2002), as well as the left wing political parties (Boehmke and Skinner, 2012; Huber, Mustillo & Stephens, 2008; Pribble, Huber & Stephens, 2009).

c) **Initial social policy.** This factor refers to the idea that the particular characteristics of the social policy prevalent in a given state before any change is introduced, that is, the existing policies, tend to have some influence in the new policies adopted later on (Berry & Berry, 2007). This refers to the fact that as any new policy change has to depart from a previous arrangement, such innovations are somehow influenced by it. In other words, policies are "path dependent" in that they are strongly influenced by the "policy legacies" of earlier policy development (Hall & Taylor, 1996).

d) **Socio-economic conditions of the population of the state.** This framework pays attention to the size of the population of the state, and the proportion of population living in poverty. The general assumption is that states with larger population are more likely to adopt new social policies or programs (Berry & Berry, 2007). It also expects that states with larger proportions of

population in poverty may implement more social programs to attend this population sector.

e) **Agents of change.** This factor refers to the existence of a set of policy actors with institutional position, capacity, and knowledge to influence policymaking, and who seek to materialize particular ideas into policy, which are different to those already on place.

Genieys and Smyrl (2008a) have explained, policy systems are "personified" because the ideas circulated in the public arenas are actually formulated and mobilized by the flesh and bone actors that participate in them (Genieys and Smyrl, 2008a, p. 38). The role of the agents of change in social policy innovation is further developed in the following section.

AGENTS OF CHANGE AS A KEY VARIABLE OF CHANGE

The term agent of change is similar to "policy entrepreneurs", which is widely used in policy literature. According to Kingdon's classic definition, policy entrepreneurs are those characterized by "their willingness to invest their resources -time, energy, reputation, and sometimes money- in the hope of future return. That return might come to them in the form of policies of which they approve, satisfaction from participation, or even personal aggrandizement in the form of job security or career promotion" (Kingdon, 1984, p. 123). In this work, agents of change refers to only state-level policymakers, in particular those in the executive government, in order to focus the analysis on a specific set of incentives or motivations.

Overall, these actors must fulfill three conditions in order to considered agents of change. The first condition is that "actors need resources to influence public policies. Institutional position, legitimacy, strategic capacity, and expert knowledge are among the most relevant resources for policy-making capacity" (Haseenteufel *et al.*, 2010, p. 528).

Actors who instigate change are usually a rather small group. These actors include policy entrepreneurs, who are often given the role of informing conduits or translators of ideas in the process of change (Lawrence *et al.*, 2004; Mintrom & Norman, 2004), or as sagacious actors that take advantage of a window of opportunity -exogenously created- to promote a given policy idea that ultimately creates change (Kingdon, 1994). Moreover, actors can actively create the opportunities for innovation, that is, to "work hard to develop and sell alternative approaches" (Huitema & Meijerink, 2010, p. 2). In other words, the role of agents of change involves instigating, implementing, and sometimes blocking policy innovation, not only taking advantage of windows of opportunity. In fact, actor-centered approaches emphasize the role of policy actors in creating change.

The second condition is the existence of actor's motivation or purpose for innovation, which is not only -or at least not always- material interests. Genieys and Smyrl (2008) and Hassenteufel *et al.*, (2010) suggest that at the core of policy change is the performance of "collective actors who share policy ideas and compete for legitimate authority over sectoral policy making" (Hassenteufel *et al.* 2010, p. 518). Similarly, we suggest that other motives can be the commitment to a moral imperative to change the status quo, and the belief that other options are viable. In following Sen (2002, p. 1977), this work departs from the idea that diverse motives are at the core of actors' choice to promote change, including ethical, moral, or normatively political reasoning.

Therefore, actors may pursue change when they have strong ideological or ethical commitments against existent policy legacies (Béland & Wellan, 2012). Other motives can be the commitment or zeal to pursue particular principles or values (e.g. social justice, liberty, among other). Hence, the motivations of change could include a moral imperative for change that is not necessarily fueled by political gain. Acknowledging the complexity of actor´s motives it is important to understand the dynamics of policy innovation.

The third condition refers to the existence of new policy ideas themselves. These policy ideas should take the form of a policy proposal, and they constitute an alternative to those already implemented in a given state. In other words, actors' policy ideas should challenge the status quo. The set of specific actors that fulfill these conditions is considered to be the catalyst of policy innovation. Although state policy actors (for instance, governors) may face similar fiscal or political restrictions, not all of them may engage in policy experimentation and others may innovate even when the likelihoods are minimal.

Moreover, in the presence of extreme exogenous factors, such as social instability, natural disasters or economic crisis may provide an important impetus for policy change. However, the actual policy responses to these shock events are also mediated by the actors' reactions (interpretations) to them, under specific circumstances (see for instance Birkland, 1997, 1998).

This framework allows for comparative analysis across different state units. The analytical framework can be used to identify the relationship between the traits of social policy actors (e.g. policy ideas, expert knowledge, and institutional position) and the adoption of innovative policy social, in a context of economic and political variables at state level. Although this comparative analysis may be used mainly for qualitative analysis (for instance, the analysis of official documents, and in-depth interviews with key social policy actors in the states), it could be applied to quantitative analysis, when the data make it possible to do so. Graph 1 summarizes all the factors included in the model.

FIGURE 1
ANALYTICAL FRAMEWORK FOR SOCIAL POLICY INNOVATION AT STATE LEVEL
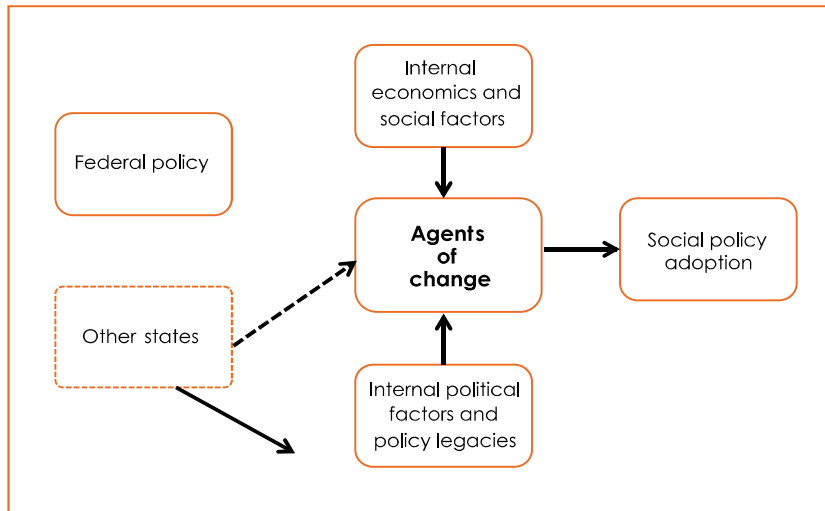
This analytical framework integrates some of the factors analyzed in traditional policy innovation literature, and ideational actor-centered approaches to explain policy change (Genieys and Smyrl, 2008a; Hessenteufel *et al.*, 2010). In addition, this framework of analysis focuses on the process of innovation decision, that is, the decision-making or choice situation in a given state, at given time. Hence, this framework helps to explain the propensity of a state to adopt a social policy or a set of social policies (or programs) during a specific interval in time that should be specified.

Economic, fiscal and political factor had a direct incidence in the decision of actors to innovate. But other potential influences, such as social policy developed in other states may be more indirect. In short, this analytical framework incorporates actor-centered explanations with specific institutional, political and societal variables in order to understand the opportunities and restrictions on social policy innovation at state level.

CONCLUSIVE REMARKS

In Mexico, there is evidence that state governments have increasingly participating in developing their social policy. The extent and ways in which different factors, several of them related to different processes of decentralization, explain this surge in state social policy innovation deserves thoroughly investigations. This work offers a framework to analyze state social policy innovation in a context of incipient participation of state governments in this area.

This model integrates the principal insights of traditional policy innovation literature and actor-centered approaches for policy change. This analytical framework depart from the basic premise that policy actors operate in a special policy milieu, and use resources and display strategies to affect the making of the social policy that are specific to their state political context.

This model places emphasis in the motivation and ideas of key actors that perform as agents of change. The performance of these key actors who share policy ideas and compete for make them a reality is considered to be the main driver of state social policy innovation. In this sense, actors constitute the catalyst factor of change. Undoubtedly, fiscal constraint and political climate will always have an effect in social policy innovation. Moreover, the specific obstacles actors face (economic, political and societal variables) influences the extent and timing of their innovative efforts. Nevertheless, actors (which imply the mixture of their willingness, interest and knowledge) cam also create conditions for innovation.

The analytical framework can be used to identify the relationship between the characteristics groups of social policy actors (especially, policy ideas, expert knowledge, institutional position and leadership) and policy innovation, in the context of economic and political variables. In sum, this framework allows to provide an account of the political dynamics that drive social policy decisions at the state level, and their interaction with economic and social restrictions, taking at the center of analysis the forces that drive states to policy innovation, that is, the actions of actors, which reflect their motivations, as well as their management of the resources and obstacles at hand.

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