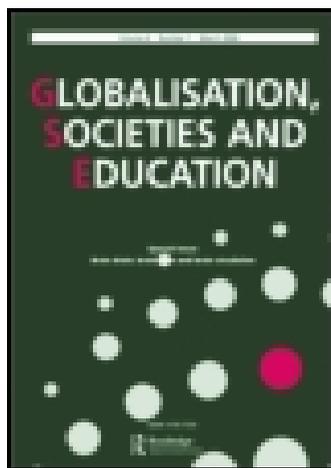


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### Standards are good (for) business: standardised comparison and the private sector in education

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## Standards are good (for) business: standardised comparison and the private sector in education

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The article examines how and why the method of *comparison against standards* has benefited non-state actors and businesses in the education sector. Drawing on brief examples from international standard schools in Qatar, Indonesia and Mongolia, the author examines how the global education industry uses the reference to ‘international standards’ as a selling point to roll out their own school reform package. Besides a critical examination of the selling points, she also explores why governments find the purchase of products and services from businesses appealing. Finally, she analyses how governments justify the purchase of expensive educational products and services that they otherwise would receive for free or at a considerably lower price. The author frames her analyses against the backdrop of theories on policy borrowing/lending as well as methodological discussions in the field of comparative education.

**Keywords:** Standards; Education industry; Globalisation; Policy borrowing and lending; Policy studies; Methods of comparison

### 1. Introduction

This article examines how and why the method of *comparison against standards* has benefited non-state actors and businesses in the education sector. I highlight a few prominent features of reform packages that are sold or transferred from one country to another and discuss the role of standardised comparison, global benchmarking and impact evaluations for the dissemination of these packages. I offer a few proposals as to why policy actors buy into commercial reform packages, as well as how they justify doing so. I use the interpretive framework of policy borrowing and lending to explain the rise of the education industry.

I have argued in other publications (Steiner-Khamsi 2010, 2013) that standardised comparison recently emerged as the preferred mode of comparison in policy studies. There are political and economic reasons that explain why international comparative studies have proliferated over the past few

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years. Of the two frameworks, the former is perhaps better known. National policy-makers use OECD- and IEA-type student achievement studies as a quasi-external source of authority, to either generate or alleviate reform pressure in their own countries. In a self-referential manner, they generate a quasi-external stamp of approval that they then use to certify national reforms. At times, the certification process draws on direct references to specific school systems that ‘come out on top’ (McKinsey & Co. 2007). More frequently, however, the references are broad and elusive, leaving ample room for reframing ‘best practices’, ‘international standards’, ‘twenty-first century skills’ or other vague concepts in ways that fit local policy agendas.

As evidence for the rise of the education industry, the first section of the article presents the new trend of governments to measure the benefits of cross-border educational trade and services to their national economies. Different from OECD countries, such as the UK and Germany that focus on gains to the GNP, governments in developing countries turn to the global education industry as a means to circumvent the ‘programmatic conditionalities’ commonly tied to receiving grants or loans. In the second section, I use a policy lens to examine why the introduction of standards-based school reforms opened the door for non-state actors and businesses. As shown in brief examples from Qatar, Indonesia and Mongolia, the international standards movement in these countries is broad in terms of actual curriculum but narrow in terms of its two core features: introduction of English as a medium of instruction and the use of ICT. Standards-based school reform is lucrative for the education industry because companies are now in a position to sell a product (e.g., students’ tests) in large quantity and enter a service contract to align every other aspect of teaching (notably curriculum, teacher education, textbooks) with their product. The last section deals with a puzzle: how do governments in developing countries solve the legitimacy problem? More specifically, how do they justify the purchase of a commercial reform package given the availability of cheaper, domestically produced and possibly better alternatives? As will be explained later, governments often justify the import of expensive standardised reform packages with the arguments of alignment, spillover effect, effectiveness and impartiality.

### ***1.1. The changing reform environment and the rise of new actors***

The inflationary talk of standards is indicative of a changing educational reform environment where the focus is on measurable and comparable outcomes rather than nation-specific inputs and processes. Unsurprisingly, the greatest winners of this shift have been not only transnational providers, such as international governments or non-governmental organisations, but also the global education industry. In addition, a few OECD countries with international reach have understood the great trade opportunities associated with standards- and outcomes-based education (OBE) and started to record the

economic gains that resulted from their 'Education – Made in' goods and services.

For example, the popular notions of 'Research University – Made in USA' or 'Dual Vocational Training – Made in Germany' call into question the assumption that national educational systems are converging towards a singular international model of education. In fact, the contrary applies. Governments and businesses enhance their influence and make money by being different, not by being similar. Nevertheless, governments have appropriated the term international standards when they describe their own educational products and services. It is a sales pitch that governments and business alike use, simply because a reference to international standards is good for their business. In higher education, the competition is particularly fierce. Governments are nowadays competing over exporting their own educational trademark to other countries or attracting students from other countries to enrol at their universities.

The General Agreement of Trade and Services (GATS) of the World Trade Organization (WTO) covers nowadays four modes of supply: cross-border trade and services, consumption abroad, commercial presence and movement of natural persons. In addition to the traditional mode of selling products and services abroad (mode 1), three other forms of economic exchange qualify as a cross-national mode of supply: consumers move outside their home territory to consume services (mode 2), suppliers move to the territory of the consumers to provide their services either by establishing a commercial presence abroad (mode 3) or through the presence of natural persons (mode 4).<sup>1</sup>

Even though education is not (yet) considered one of the trades that is being regulated by WTO, governments have started to calculate the economic gains or losses from cross-national trade and services in education. Up to know, most cross-border trade and service activities take place in the higher education sector. Examples from the USA include the following: (1) cross-border trade and services: export of textbooks, journals, teaching material and tests of American publishers to other countries; (2) consumption abroad: international students who are enrolled at American universities; (3) commercial presence: satellite universities and off-campus programmes that are established abroad, such as, for example, New York University Abu Dhabi; and (4) movement of natural persons: US citizens employed at US universities abroad such as, for example, at the American University of Beirut or the American University of Cairo. Cross-border trade and service activities at school level have significantly increased over the past few years and are likely to grow exponentially in the future given the boom of the multilateral test industry.

Starting in 2004, the British Council has issued economic studies on the four modes of supply defined by GATS. The study from 2007 shows that the total value of education and training exports to the UK economy is over £12.5

billion (mode 1) and the economic gains made on international students enrolled in universities of the UK (mode 2) nearly £8.5 billion per year (Lenton 2007). In 2012, the British Council (2012) released a new study in which British economists forecast that by 2020 four countries – China, India, the USA and Brazil – will account for more than half of the world's enrolments in higher education. Between 2002 and 2009, China and India alone experienced an increase of 26 million tertiary enrolments, accounting for close to half of the higher education expansion over the time period. The economists further expect that the economic growth in developing countries, notably countries with large numbers of youth that currently have a Power Purchasing Power GDP per capita below \$10,000 – Pakistan, Nigeria and Indonesia – will eventually want to enrol in universities in their home country or abroad once income levels in their countries rise and their middle classes grow. Today, the greatest group of outbound mobile students is from China. Their countries of destination are currently the USA, Japan and the UK. The UK only ranks third. The study of the British Council examines conditions at universities in the UK that would be favourable for attracting a greater number of international students. It is expected that international student mobility in higher education will increase exponentially with the standardisation of student achievement in general education, especially with standardised testing at the exit stage. The higher education sector relies on attracting international students who graduated from their high schools with reliable, standardised test results and with a cosmopolitan orientation.

Similar to the UK, the Federal Ministry of Education and Research of Germany (Bundesministerium für Bildung und Forschung) hired the consulting company Booz & Co. to calculate the economic impact of German educational exports (Bundesministerium für Bildung und Forschung 2010). The study includes not only higher education but also covers a wide range of educational services and products. The German federal initiative iMOVE, also officially referred to as 'Training – Made in Germany', distinguishes between two areas in which educational services and goods are provided: the core educational area (schools, professional development/vocational training, higher education, teaching of German and export of educational products) and the expanded educational area (training on specific products and consulting services in the education sector). The study concludes that the German economy annually gains €9.4 billion from sales and services in these two educational areas.

The following figure summarises German exports in several economic sectors as well as in the education sector. Education contributes, along with three other areas of export – engineering and other technical services, ICT and computing services, and commercial services – significantly to the national economy. Engineering and technical services represent the biggest area of German export. As illustrated in Figure 1, education ranks also fourth in the list of German export products and services.

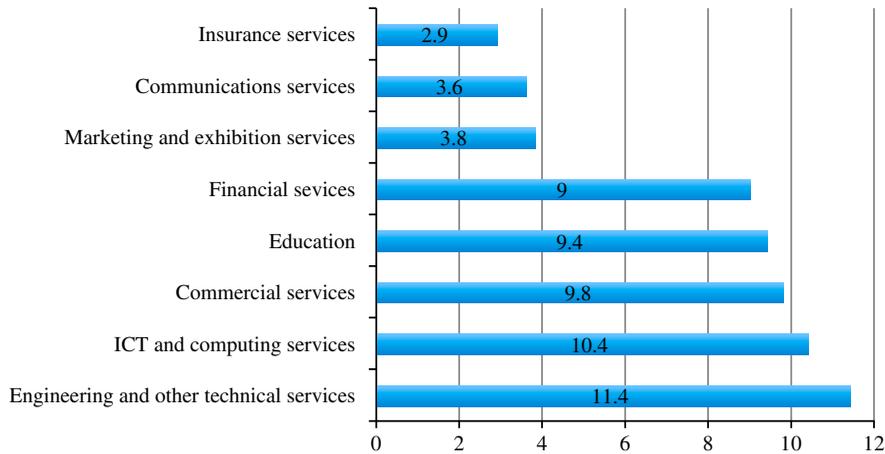


Figure 1. Educational exports of Germany in comparison with exports in other service sectors of Germany (in billion Euro).

Source: Bundesministerium für Bildung und Forschung, 2010, 29.

WTO does not yet factor in the economic activities in the education sector when it calculates trade surpluses or deficits. Therefore, analyses such as the ones mentioned above, prepared in the UK and in Germany, are remarkable example of studies that attempt to capture the monetary value to the national economy that results from the export of educational products and services. Clearly, research on cross-national trade and services in education is at the stage of infancy (see Verger 2010; Verger and Robertson 2012).

It is noticeable that governments have only recently started to document the benefits of educational exports for the national economy. There is room for speculation as to why, for example, the British Council or the Federal Ministry of Education and Research of Germany has issued such studies. Possibly governments are nowadays under pressure to explain why they subsidise the private education industry for services that used to be free of charge and provided by the state. It is in the interest of the state to demonstrate that the national economy benefits from the education industry, especially if export is involved.

### *1.2. Why international standards resonate*

The outcomes and standards orientation has also huge repercussions for the policy process. Jenny Ozga has coined the term ‘governance by numbers’, and Xavier Pons and Agnès van Zanten have drawn on the theory of the post-bureaucratic state, to explain the outcomes and market orientation of the new wave of public management reforms that were implemented in the 1980s and 1990s (Ozga 2009; Pons and van Zanten 2007; see also Resnik 2008; Fenwick, Mangez, and Ozga 2014). The move towards knowledge-based regulation, that is, the preoccupation with performance, outcomes and

measurable results, made it possible for non-state actors and businesses to monitor the public sector and, if necessary, generate public pressure for reform. This trend applies both to the national and to the international arena. In the education sector, OECD and the World Bank have become the primary norm setters for national policy actors. Today, every international organisation amasses data to build an international knowledge bank on issues that are of concern to them. Naturally, most international organisations make universal claims and compete with others to disseminate and expand their own sphere of influence.

There used to be a division of labour between the two World Bank and OECD in the dual role of norm setters as well as monitors of education policy. The former used to position itself in these dual roles in poor countries, while the latter focuses on driving change in wealthier nations. These two dominant players have recently begun cooperating closely in developing countries, contributing to an international convergence of national educational reforms. This cooperation is, for many of us, too close for comfort, because it further blurs the line between diagnosing a problem in terms of analytical work (OECD), and issuing a prescription for remedying the problem in terms of financial loans or grants (World Bank). The power gained through governance by numbers is so great that at one point the World Bank (during James Wolfensohn's tenure as president) debated whether to leave money lending to regional development banks and instead focus on offering ideas or 'best practices' (Jones 2004).

It seems that international organisations have made it their business to establish standards, present them as global and then use them to compare, rank and possibly shame national governments. Most studies that deal with global governance or global norm-setting exclusively focus on the role of international organisations, notably OECD (for developed countries) and the World Bank (for developing countries). It is important to acknowledge that the emerging global education industry is a new global player that, in concert with the OECD, World Bank and IMF, reproduces, and benefits from, the discourse on international standards. Business interest in education is not to be underestimated. For example, the reputable Swiss private bank Julius Baer established a mutual fund or a 'global education basket' in October 2014 that consists of stocks of 12 profitable companies.<sup>2</sup> According to Bank Baer, education constitutes, after health care, the second-largest global market for which they project an annual growth forecast of 7% annually. As mentioned before and highlighted by many others, economic growth in developing countries will generate a growing middle class that is able and willing to spend money on the education of their children. Bank Baer predicts that the growing middle class, along with the 'high cost of education, is placing a burden on cash-strapped governments, which means increasing dependence on private

spending and a growing role of for-profit education companies' (Julius Baer Bank 2014).

The rising middle class in developing countries represents only one segment of the population. The masses in developing countries are still enrolled in poor-quality public schools, for which their government have typically adopted reform packages that are funded from external financial sources. Aside from scholars in development studies, the coercive nature of educational import is usually less discussed. In contrast, scholars who deal with educational reform in developing countries know all too well that loans and grants from international agencies come with strings attached. In addition to conditions imposed on public administration and the economy (including free trade and private-sector involvement), there also exist sector-specific programmatic conditionalities: governments in developing countries receive external financial assistance ('aid') to implement *specific* reform programmes. Several of these donor-funded programme packages conceive of schools as 'business-like' entities with market regulation, choice, performance regulated pay and standardised tests that enable 'consumers' (parents) to make informed decisions about which schools they wish to enrol their child. Stephen J. Ball and Deborah Youdell (2008, 18ff.) label this type of privatisation an 'endogenous' form of privatisation. Endogenous privatisation, coupled with the pressure on recipient governments to reduce public expenditure and at the same time raise funds from private sources (fees for special classes, tuition in higher education, etc.), has created unprecedented business opportunities in the education sector of poor countries.

There is an abundance of studies that criticise the dependency trap in developing countries (see Steiner-Khamsi 2009a). The question arises as to why national governments perpetuate that dependency and do not turn down loans and grants from international organisations despite public pressure from their constituents. Antoni Verger poses a research question that is key for policy borrowing and lending research in developing countries: why do national policy actors 'buy' global education policy (Verger, Novelli, and Altinyelken 2012, 19; see also Verger 2012). Verger's question is rhetorical, and he uses it to explain the phenomenon of cross-national policy attraction, and the reasons why a given global education policy resonates at a particular time, in a specific context. In this article, I borrow Verger's question but ask it literally: why *do* national policy actors purchase global education policy and, conversely, what are the selling points of these packages?

I ask the question to shed light on a phenomenon that at first seems nonsensical: why do governments buy expensive reform packages from McKinsey, Pearson, Cambridge Education, Rand Corporation and others, even though there are cheaper 'solutions' available in their own backyards? Following the good German intellectual tradition of asking legitimacy questions in public policy research, I further refine my query to draw attention

to the fact that each and every reform is supported by some, and opposed by others, and therefore in need of justification. This leads us to ask how national governments *justify* the import of reform packages from educational systems completely different from their own and, following upon that, how do they *justify* the high cost associated with these imports?

## **2. International Standard Schools (ISS) and public–private partnership (PPP) in education**

Because the relationship between the public and private sector in education is complex, historians are enamoured with investigating the changing role of the state in education. For example, 20 years ago David Tyack and Larry Cuban remarked that PPP resurfaces periodically as a panacea to fix problems in the education sector (Tyack and Cuban 1995). Two decades before the Reagan and Thatcher administrations denounced the ‘State monopoly’, and propagated market orientation as the universal solution for improving the quality of education, businesses were given access to schools to develop programmed learning material, offer remedial programmes and introduce educational radio, film and television. Tyack and Cuban (1995, 100ff.) assert that ‘management by objectives’, ‘contracting for performance (i.e., ‘no results, no pay’)’ and other notions associated with the neoliberal and new public management reforms of the 1980s and 1990s were already in place by the late 1960s and early 1970s. A series of financial scandals during the latter decade caused large-scale PPP to disappear from the educational arena for a while; however, it soon resurfaced. According to Tyack and Cuban, reforms in the education sector are recycled cyclically. The revolving door of PPP that enables private businesses to periodically re-enter the public education system is proof that old ideas of how to reform schools resurface in slightly different variations every few years.<sup>3</sup>

Other scholars in comparative education and sociology (Ball and Junemann 2012; Ball and Youdell 2008; Resnik 2012; Robertson et al. 2012) have produced compelling analyses of the advance of multilateral businesses in the education sector. I suggest that we focus on the type of PPP in which the public sector pays the private sector to improve the quality of education in the public sector or, more precisely, pays significant amounts of money to multilateral education businesses to fix schools in the public sector. Of particular interest here is the relationship between globalisation and ‘international standards’, ‘twenty-first century skills’ and other de-territorialised educational values. In practice, international standards means using English as a medium of instruction, integrating technology in education and possibly having diplomas or exit examinations accredited by a larger international body (IB, Cambridge, or any other accreditation body based in OECD countries).

### ***2.1. International standards as drivers of educational reform***

PPP in the global South serves as a case in point for understanding the political process in educational transfer processes because politicians and policy-makers are under tremendous public pressure to justify the import of expensive or ‘foreign’ reform packages. The following three examples, Qatar, Indonesia and Mongolia, reflect the wide range of PPP models to be found in different parts of the world. In all three cases, the argument for having to comply with ‘international standards’ was used to advance a more fundamental educational reform.

At one end of the spectrum is Qatar, where the government handed over its public system to the American private sector. At the other end is Indonesia, where the government had to scale back its plan of establishing elite, privately run schools in every district of the country. Educational reform in Mongolia is situated somewhere in the middle. The country experienced broad public resistance to establishing pilot schools that followed the curriculum standards, examination system and teacher training package, of a private firm based in Cambridge, UK.

In 2001, the Gulf state Qatar commissioned the Rand Corporation to evaluate and redesign the K-12 education system and then manage the implementation of the recommended reforms. In line with its corporate beliefs, Rand systematically implemented choice, encouraged competition and advocated for diversification among schools. After a few years, the Qatari educational system had been ‘diversified’ into schools which were independent, internationally accredited and private. The vouchers programme ensures that tuition is paid to private schools from public funds, which in turn encourages their establishment. The Ministry of Education became redundant, and the notion of public schooling irrelevant, because, regardless of type, each and every school, whether public or private, is entitled to redeem government-issued vouchers based on the number of students enrolled. The result was an effective handover from the public to the private sector.

Indonesia provides another example of government-driven PPP in education. The new education law of 2003 included a paragraph that later on became a cause of great controversy. Article 50, paragraph 3 says: ‘The Government and local governments organize at least a unit of education at all levels of education, to be developed further as a unit having international standards of education’ (Government of Indonesia, article 50, verse 3). Several strategic plans specified the details of the ISS as a means for implementing ‘international standards’ in Indonesian education (see Coleman 2011; Kustulasari 2009; Sinanu 2012). Table 1 provides an overview of the nine quality criteria that the ISS had to fulfil.

It was assumed that not all participating schools were able to implement right away the quality criteria attached to the label. Therefore, a distinction was made between those aspiring to become ISS (known as pilot-ISS or RSBI

Table 1. Nine areas for quality assurance in Indonesia's ISS.

Areas for quality assurance	Examples of quality indicators
1. Accreditation	School is also accredited by a school accreditation body in an OECD member nation
2. Curriculum	Lesson content equivalent to or higher than that taught in an OECD member country
3. Learning–teaching process	Science, mathematics and core vocational subjects are taught using English. In primary schools, teaching science and mathematics through English begins in Year 4.
4. Evaluation	'Enriched' with modes of evaluation employed in an OECD member country
5. Teachers	Teachers of science, mathematics and core vocational subjects are able to deliver lessons through English
6. Head teachers	Head teachers have active mastery of English, possess international vision and are capable of developing international links
7. Facilities and resources	Internet access
8. Management	School is multicultural
9. Financing	Achieves the Indonesian National Education Standard for school financing

Source: Coleman (2011, 7), extracted from Depdiknas (2007).

[*Rintisan Sekolah Bertaraf Internasional*]) and those that were granted the title right at the beginning of the reform (known as SBI [*Sekolah Bertaraf Internasional*]). The Government of Indonesia mandated that each district had to establish at least one ISS, which will then serve as an example for surrounding schools to emulate.

The Government of Indonesia relied on both public and private funding to scale up the ISS model. In general, state primary and lower secondary schools in Indonesia were forbidden to charge fees. The regulation on ISS, however, enabled them to circumvent the greater policy on free schools. Even though these schools received regular state funding ('school operational support'), and a specific ISS grant from the government, they were granted permission to charge fees from parents for supplemental services (Coleman 2011). The government plan was vehemently criticised as being costly, unfeasible and fostering inequity. For these reasons, the conversion of regular public schools into Pre-ISS and ISS had been slower than planned. Finally, in January 2013, the Constitutional Court of Indonesia determined that the ISS were unconstitutional, because they provided unequal access to educational opportunities. The Court contended that charging fees had led to a 'commercialisation of the education sector' and implied that 'quality education would become an expensive item that

only the rich could afford'.<sup>4</sup> The Government of Indonesia was criticised by civil society organisations for spending a disproportionately large amount on these special public schools at the expense of properly funding regular public schools.

The same concern with spending too much on a few pilot 'Cambridge standard schools', while diverting resources needed to educate the masses, was voiced in Mongolia. The previous government was heavily criticised for buying into the Cambridge International Education programme (referred to as 'Cambridge Standards') and agreeing to fund 32 bilingual (Mongolian/English) pilot schools. As with similar reforms carried out in other countries by the multilateral education business complex, the argument was made that the higher standards used in expensive, publicly financed, bilingual pilot schools would spill over to regular schools, thereby benefiting education across the board. Nevertheless, in August, 2012, when a new government came to power, the newly elected Minister of Education and Science instantaneously distanced himself from the plan. Later on the Minister downplayed his resistance with the argument that prior business agreements had to be honoured. To accommodate both sides, he publicly announced that the Ministry would merely adopt a few elements of the Cambridge Standards for use in *all* schools without establishing pilot bilingual schools from public funds. Similar to the ISS in Indonesia, the use of 'international standards', in particular English as a medium of instruction and the use of ICT, was the primary selling points.

The explosive growth of international schools over the past few years has drawn academic attention not only in educational research but also among scholars in the broader social sciences (globalisation studies) and humanities (studies on cosmopolitanism). The 2014 volume of the World Yearbook of Education, edited by Agnès van Zanten and associates, is dedicated to the topic of 'elite education'.

## ***2.2. Establishing similarities between cases and educational systems***

Learning from elsewhere has become among the most preferred agenda setting tools in public policy. The preoccupation with OECD- and IEA-type studies on student achievement and the data fetishism that results from feeding knowledge banks on 'successful educational systems', 'best cases' or 'best practices' always draw in one way or another from the assertion that there is something to learn from what has worked for others. Methodologically, this implies that educational systems are similar enough that we can transplant the same package of reforms from one corner of the globe to the next. As I explained at the 2012 European Conference of Educational Research (Steiner-Khamsi 2013), the act of lesson-drawing provokes the expectation that the transfer of 'best practices' occurs between educational systems that are alike. This is due to strongly held

beliefs that educational systems with similar challenges will respond to the same solutions and be open to importing ‘best practices’ from one another.

In reality, however, this is not the case. What if the challenges differ, and yet the same solutions – ‘best practices’ or reforms – are imported anyway? In other words, how is the legitimacy problem resolved? How is a transfer justified or, acknowledging agency in the policy process, how do policy-makers explain to their constituents that they imported ‘best practices’ from a system that is completely different from their own?

One way of solving this dilemma is to deny that policy borrowing occurred. An early study of this phenomenon was carried out by Carol-Anne Spreen on the import of OBE from Australia and North America to South Africa (see Spreen 2004). As Spreen described in her dissertation, once opponents of OBE argued that the educational systems were incompatible, local policy actors who favoured the reform claimed it was designed and initiated in South Africa, rather than imported from elsewhere. Even though such retroactive indigenisation or reframing techniques are frequently enlisted a posteriori to appease critics, the issue is still the legitimacy of policy attraction across dissimilar contexts. How do policy-makers and analysts justify their interest in educational systems – whether located in Finland, Singapore or Shanghai – that are so different from their own?

Another way of downplaying difference is to use uniform measurements that make systems *appear* comparable. Curiously, similar contexts are sometimes retroactively established to justify the import of reform packages. As mentioned before (Steiner-Khamsi 2013), Joel Samoff (1999) forcefully demonstrated the overlap between analysis (problem recognition) and prescription (problem solution), in education sector reviews of African countries. Every education sector review he examined either began or concluded with a reference to ‘the crisis’ in African education. Talk of ‘crisis’ can certainly help create pressure for reform and mobilise funds for change; however, we have cause to be suspicious when the same reasons and solutions are put forward to solve a problem diagnosed across such a vast geographic region.

Frank-Olaf Radtke (2009, footnote 14) describes a similar challenge in the European policy context:

Granted, benchmarks or ‘best practices’ do exist and provide solutions [...], but the question is: for which local problems?

What occurs in practice, both in developing and developed countries, is that the formulation of the (local) problem is aligned with the already existing (global) solution.

Returning to our research question, it is important to ask which design helps substantiate the universal claim attached to the what-went-right approach in education policy. Once again, comparative methodology provides useful insights. Researchers in comparative studies pay close attention to valid case

selection, because the correct sample determines the explanatory power attributed to a comparative study. Case selection, or sampling, is very important in qualitative comparative studies. Table 1 presents the differentiation between systems and outcomes (Berg-Schlusser 2002, 2430; see also Przeworski and Teune 1970; Landman 2003) and organises them in terms of similarity and dissimilarity or difference. The literature on research methods commonly discusses case selection in qualitative studies under the heading of purposeful sampling. Table 2 presents the different designs for each cell.

Arguably, globalisation researchers often resort to the sampling design different systems with similar outcomes (DS-SO) to substantiate their claim that national education systems are converging, i.e., becoming increasingly similar. They deliberately select cases or systems that are very different from each other (DS), in order to produce the supposedly stunning discovery that they are becoming alike (SO). For example, among the reasons, I began studying globalisation in Mongolia is that the country was traditionally stereotyped as an uncivilised land of nomadic herders. Evidence of international convergence would be especially compelling if – ‘even’ in Mongolia – educational structures, beliefs and practices have become increasingly similar to those elsewhere: globalisation must be a fact. Obviously, my choice of design (DS-SO) heavily determined, and gave greater weight to, my conclusion. My point in this article is that international databanks nowadays actively construct similarity between two and more education systems by using the same set of international indicators to measure and compare systems, even if they are vastly different in terms of their structure, broader context and ‘system-logic’.

### 2.3. *The use of standards for generating an economy of scale*

Like public health, education was until recently regarded as an activity geared towards enabling the growth of the individual, and for this reason unsuited to standardisation, or any kind of cookie-cutter approach. As a result, commercial interest in education was limited to areas like ‘hardware’ (i.e., textbooks,

Table 2. Case selection in comparative policy studies and the design of globalisation studies.

		Outcomes	
		SIMILAR	DIFFERENT
Systems	SIMILAR	SS-SO Similar Systems with Similar Outcomes	SS-DO Similar Systems with Different Outcomes
	DIFFERENT	DS-SO Different Systems with Similar Outcomes	DS-DO Different Systems with Different Outcomes

computers, infrastructure, etc.) where there was the possibility of making a profit. Meanwhile, a different market was created in educational systems, such as those in East Asia, with high-stakes university entry examinations. Here companies found they could sell ‘software’ products, targeted towards raising test scores through test prep and teacher training.

As with the lucrative business of textbook publishing, one of the most lucrative branches of the education industry tends to focus on selling tests which generates, year by year, a constant flow of customers who must pass them to succeed. As a result, international standards, twenty-first century skills and other supranational notions of curricular content have become the pillars of big business. Given the corporate logic of capital growth, we will most likely see a rapid expansion of tests, not only at critical entry, transition and exit stages of the education system but also eventually for each subject, and possibly for each grade, in school.

From a business perspective, standards-based education is lucrative because it generates an economy of scale. More specifically, it kills two birds with one stone: first, it enables companies to sell a product (student tests) in large quantity. Second, tests are a smart business product or an innovations system, because they make it necessary to revise the software of education, that is, *all* the other items – curriculum, teacher education and textbooks – which precede the act of taking the test. All these elements must be reformed so as to prepare the students to pass. As with other value chains, once one link is changed, all the others must be replaced as well. This is the phenomenon we observe in outcomes-oriented reform.

As mentioned above, the excessive cost of commercial reform packages results not only from having to pay for tests but also the international consultants who bring other elements of the delivery system (curriculum, teacher education and textbooks) in line with the tests. Needless to say, some international education businesses are more willing than others to adapt and include nation-specific variations in the international standard delivery package (see Resnik 2012).

### **3. Dealing with the legitimacy problem: an exploration of selling points**

There are numerous reasons why governments come under pressure from their constituents to justify the purchase of commercial reform packages. They are expensive, insensitive to cultural or contextual norms and differences, and create dependency upon a foreign, profit-making entity. For policy borrowing and lending researchers, as well as those who are critical of the creeping commercialisation of school reform, it is necessary to understand the attraction of such packages. I have focused my analyses on the following four justifications that governments in developing countries often use when explaining why they chose to purchase a standardised reform package from an international education business, rather than incrementally improving their local

delivery system, with the support of professional experts at home and abroad. These are alignment, spillover effect, effectiveness and impartiality.

First, alignment is an important selling point for the reform packages of IB, Cambridge Education Services, Pearson and other international education businesses. In Mongolia, for example, scandals occasionally erupt over students who are assessed in high-stakes secondary school exit exams covering content they were never taught. Unsurprisingly, students are lost, parents angry, teachers frustrated and the general public mistrustful of the government's ability to steer the educational reform process. It is typically in just such a climate that coherent, high-priced reform packages resonate. From the perspective of policy-makers, it is better to import an expensive reform package in which all the elements are aligned, than to reinvent everything from scratch, with the support of a myriad of international donors pulling in different directions, each advocating for their own 'best practices', and funding their own 'international standards'. Developing country after developing country faces the challenge of a dysfunctional system (some of which is aid-induced), in which there is little correspondence between what is written in the curriculum, what is taught to teachers, what textbooks say, what students learn, what they are graded on and – most importantly – how they are then tracked for further study.

Second, competition among schools is a constitutive element of neoliberal, market-driven reform. One of the rationales for using public funds to finance expensive private schools (by means of vouchers or grants) is the expected spillover effect. The spillover argument has been made in Indonesia, Mongolia, Nepal and many other countries where the government attempts to downplay criticism of inequity by highlighting the positive effects that elite schools or, in the case of Indonesia, ISS, is supposed to have on public schools. In neoliberal parlance, the logic is as follows: in a two-tiered system, regular schools will inevitably lose their 'customers' (students) to the more effective elite schools. In the next phase, regular public schools will do whatever they can to improve quality, by emulating the elites. This is when the spillover effect occurs. In educational systems with per-capita financing, i.e., where schools receive a set sum for each student enrolled, decreased enrolment means less funding and smaller budgets. The end assumption is that choice, competition and the free market are necessary conditions for improving education.

Third, as with every international organisation that attempts to scale up their 'product' and sell it worldwide, proof of effectiveness is key. The education industry is not alone in carrying out impact evaluations to prove to their clientele (governments), the value they receive for spending money on what is offered. Every international organisation, from Save the Children to the World Bank, spends ever-increasing sums on quasi-experimental research designs with large sample sizes, to carry out impact evaluations. There is an

obsession with (retroactively) collecting baseline data to prove (usually already 2 or 3 years after the fact) that the intervention or educational reform was successful and therefore should be scaled up, and possibly transferred to, other countries as well.

By now every international organisation has developed its own portfolio of best practices, which are presumably tested in terms of impact evaluation. The education industry is either led by, or drawn from, the best talents at the universities, who produce empirical studies on the effectiveness of their products. In recent years, empirical research on effectiveness has become synonymous with impact evaluations that use a quasi-experimental design and operate with control and experimental groups.

However, in countries where the honorarium rate for international researchers is high and the implementation cost carried out by locals is low, the price of doing an impact evaluation sometimes exceeds that of the actual reform. In the example I analysed, the Government of Mongolia wondered why one group of schools (control group) had deliberately withheld the benefits of the reform (books for classrooms in primary schools in rural areas), for the sole purpose of testing whether the books made any difference (see Steiner-Khamisi 2009b). Obviously, the governments resented not only the cost but also the design of the impact evaluation that, in their view, punished quite a few schools that were in the control group and therefore did not receive the ‘treatment’ (books).

Finally, impartiality is an important selling point in the realm of education policy. Similar to references to ‘international standards’, the adoption of a commercial reform package represents, at least at the beginning stage, a more politically neutral alternative to partisan battles over the direction of education reform. The scientific stamp of approval that marks commercial products helps to perpetuate the myth that the adoption of a reform package sold by the education industry is a rational, rather than a political, choice. De-politicisation of education greatly resonates with the general public, particularly given today’s knowledge societies, wherein schooling has become so deeply politicised. The notion that a product transcends partisan bickering is an important selling point for policy brokers.

Here too, standardised comparison is worth paying attention to. International comparison in the form of OECD- and IEA-type student achievement studies (PISA, TIMSS, PIRLS, etc.) has been deemed a particularly useful tool for measuring the competitiveness of knowledge societies in terms of human capital. Debates over effective schooling are heated and, more importantly, involve an ever greater range of state and non-state actors. In this climate of heightened controversy, the international salesperson from IB, Cambridge Education Services or Pearson is a welcome third party who supposedly has nothing at stake domestically.

For the past several years, I have used this interpretive framework to explain the salutary effect of policy borrowing on protracted policy conflict (see Steiner-Khamsi 2004, 2010). How local and national actors encounter global forces, norms and priorities is a topic of great interest to my cohort of scholars. In this particular area of comparative education research, we focus on examining the policy window, that is, the receptiveness towards global actors at a given moment, and in a specific power constellation. Drawing on Niklas Luhmann's (1990) work on self-referential systems, as well as Jürgen Schriewer's contribution on the phenomenon of externalisation (Schriewer 1990; Schriewer and Martinez 2004), I found that national policy actors are more receptive at the moment when they try to push through controversial reforms. Thus, externalisation has a salutary effect on protracted policy conflict in that references to a 'third', or external source of authority, may function as a coalition-builder.

More recently, I drew on Paul Sabatier's Advocacy Coalition Framework (Sabatier and Weible 2007) to argue that policy borrowing, in the form of adopting 'best practices' or lessons learned, is a coalition-builder which helps mobilise antagonists to support a third, supposedly neutral, reform that was imported from elsewhere or, in the case of international standards, from anywhere but home. In my previous studies, I listed three types of externalisation (Steiner-Khamsi 2004, 2012): policy learning or references to (1) other educational systems (e.g., US attraction to choice education policy in the UK), (2) other sectors in society (e.g., principle of market regulation borrowed from the economy or principle of total quality management borrowed from the health sector) or (3) broadly defined international standards or 'best practices'. I propose that we add a fourth form of externalisation that has gained prominence over the past few years: policy learning or references from (4) non-state actors, the education-industrial complex, in particular.

#### 4. Conclusions

This study investigated an interesting phenomenon that deserves greater attention: the ever-increasing number of governments that buy reform packages from education corporations (e.g., IB, Cambridge Education Services and Pearson) and use, under the guise of PPP, public funds to boost private business. In this article, I examined why international organisations create knowledge banks and advocate for standardised comparison of educational systems, as well as how the education industry has benefited from heightened interest in international standards and global benchmarks. I also analysed the legitimisation strategies governments use to justify the adoption, or rather purchase, of these expensive reform packages. This specific type of PPP, which uses public funds to finance a few elite schools, at the expense of schooling for the masses, has been heavily criticised in different parts of the world, including developing countries.

For comparative policy researchers, the question becomes: how do governments resolve this dilemma, that is, how do they justify the allocation of substantial portions of the national education budget to fund a handful of schools? In this article, I discussed four common legitimacy strategies: alignment, spillover effect, effectiveness and impartiality. The fourth of these draws from research on policy borrowing and lending. I argue that the commercialisation of education is simultaneously a process of depoliticisation. Politicians (in some countries more successfully than in others) reframe the purchase of standardised reform package as an impartial decision that presumably supersedes political rationales for reforms.

Comparative education scholars who use system theory (Niklas Luhmann) as an interpretive framework to advance research on transnational transfer, ‘travelling reforms’, or policy borrowing and lending, tend to analyse political, economic and social reasons which explain the likelihood of externalisation. At what particular stage in a policy process is borrowing likely to occur? What political, economic or social constellations account for a heightened interest in ‘lessons learned’ or ‘best practices’ from elsewhere? What is the impact of policy import on power constellations in a given context? These are examples of research questions that guide us.

Unsurprisingly, I used PPP and the rise of the education industry as yet another manifestation of educational transfer. In this case, the state borrows (or rather purchases) reforms from a non-state actor – the education industry. I concluded my analysis by summarising three forms of externalisation, which are well-documented and examined in detail: policy learning or references to other educational systems, other sub-sectors or to broadly defined international standards. I end this article by proposing that a fourth form of externalisation is becoming increasingly common in public policy: borrowing, or rather buying, from the private sector.

It is likely that the education industry will continue to grow over the next few years for a variety of reasons. First, institutions in general, and profit-driven businesses in particular, tend to expand their scope and influence by creating new needs and, in the case of education, new markets. Second, the role of the state as the sole provider of public education has dissipated. We are witnessing, with PPP, the new practices of an outcomes-oriented, post-bureaucratic state that actively lures non-state actors to participate in the policy process. Finally, supranational entities, in particular, not only multilateral organisations (notably, World Bank, OECD) but gradually also the international education industry, have assumed the role of global norm setters in education. They will not voluntarily give up the power to define global indicators of effective education, set global benchmarks and monitor national progress towards the organisation’s global benchmarks unless, as Tyack and Cuban contended almost 20 years ago (Tyack and Cuban 1995), a major scandal casts doubts on the benefits of international reform packages.<sup>5</sup> Past

scandals were not apocalyptic, but they did help dampen enthusiasm for PPP in education and pave the path for new forms of PPP that, at least early on, were less vulnerable to abuse, corporate greed and inequality.

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No potential conflict of interest was reported by the author.

### Notes

1. For more information on the four modes of supply, regulated by WTO, see the following website: [http://www.wto.org/english/tratop\\_e/serv\\_e/cbt\\_course\\_e/c1s3p1\\_e.htm](http://www.wto.org/english/tratop_e/serv_e/cbt_course_e/c1s3p1_e.htm)
2. The 12 companies are TAL Education (China), New Oriental Education (China), Nord Anglia Education (Hong Kong), Kroton Educacional (Brazil), Estácio Participações (Brazil), Pearson (the UK), Reed Elsevier (Brazil), 2U (the USA), Apple (the USA), Google (the USA), Apollo Education (the USA) and Grand Canyon Education (the USA).
3. See also Peter A. Hall on policy learning and his differentiation between first-, second- and third-order changes (Hall 1993). Incremental or first-order changes represent the most common type of policy learning. The instruments and goals of the policy are preserved, but the policy is pursued with greater vigour, efficiency and effectiveness. In second-order changes, the policy instruments are altered, but the policy goals are maintained. Third-order changes are radical or fundamental. In his analyses of neoliberal thought in the 1980s and 1990s, Hall identified the change in economic policy under Thatcher as a third-order change, because the Keynesian mode of policy-making was completely revamped and replaced with a new way of thinking – monetarism.
4. See Global Legal Monitor, January 11, 2013. Downloaded from: [http://www.loc.gov/lawweb/servlet/lloc\\_news?disp3\\_l205403456\\_text](http://www.loc.gov/lawweb/servlet/lloc_news?disp3_l205403456_text)
5. Similar to the mortgage crisis, student loans in higher education (backed by government) may turn into ‘bad debt’ in situations of an ongoing economic crisis in which graduates are not able to find jobs and repay their loans. Thus, there are limitations to how much of the cost of higher education may be transferred to private households. An education-induced economic crisis, resulting from accumulated bad educational debt, may very well constitute the cause for one of the next financial disasters.

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