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### The global/local nexus in comparative policy studies: analysing the triple bonus system in Mongolia over time

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## The global/local nexus in comparative policy studies: analysing the triple bonus system in Mongolia over time

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The article analyses a phenomenon that has accompanied teacher salary reform in Mongolia: the import of two global education policies that were nearly identical to the already existing local bonus system (*olympiads*). To make sense of an import that appears superfluous, the author analyses the reception and translation of the triple bonus system over time. The interpretive framework draws on system theory and pays attention to: (1) developments within a system or a context that explain the likelihood of policy borrowing; (2) change processes over time that result from interactions within a system as well as the system with its environment; and (3) periods of convergence and divergence that occur over the lifespan of a policy. The author finds that research on policy borrowing and lending has greatly contributed to better understanding the transnational flows of educational reforms. In contrast to spatial analyses, the time dimension of the global/local nexus is neither sufficiently studied nor convincingly interpreted. The author draws attention to the functional differentiation that occurred within the triple bonus system, and argues for a comparative policy studies perspective that acknowledges the salutary effects of policy borrowing for coalition building and change.

This special issue deals with the common observation that over the past few decades particular features of education systems worldwide have become increasingly similar. The example I investigate is teacher salary structure or, more specifically, a particular component of the salary structure that has become globalised: performance pay. Performance-based payments or bonuses are among the reforms that global actors have been actively promoting in different parts of the world, including in Mongolia. The question, however, is which aspects of these initiatives have converged – the idea, the policy, or the practice? Taking into account the global/local nexus, how do we explain the differences between ideological, regulatory, and practical aspects of the reform? I will make the case in this article that when analysing the global/local nexus of an education policy one should not just focus on the spatial dimension (from where to where a policy travelled), but also on the time dimension (at which stage of a policy are references to reforms from elsewhere, ‘best practices’, or international standards, made).

Performance-based bonuses, in the form of so-called *olympiads* or competitions, have existed in Mongolia since the communist period. During the first years of the new millennium two additional performance payments were introduced with funding from the Asian Development Bank. Contrary to what one might expect, the two additional types of bonuses – one based on an outcomes contract and another based

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on a quarterly performance evaluation – did not lead to a hybridisation or modification of the existing bonus programme. The two new bonuses were simply added to the existing one, resulting in a triple bonus system that briefly offered three types of performance payments (see Nóvoa and Lawn 2002). Over the past decade, however, the bonus system has evolved such that only the pre-existing local system actually qualifies as a bonus, i.e. is actually a payment that is paid selectively based on performance criteria. Meanwhile, one of the new bonuses (quarterly performance payments) now functions as a thirteenth monthly salary because it is distributed to almost every teacher. The other new bonus system (based on the outcomes-based education contract) has become a tool to make contractual labour agreements with teachers and reward, sanction, or fire them.

Robert Cowen (2009) coined the phrase ‘as it moves, it morphs’ to summarise the changing features of global education policies which travel from one country to the next. This insight also applies to global reforms that have been borrowed. Two, five, or ten years after the policy is implemented it morphs into several localised versions. As a result, coalition building among groups with divergent interests that the act of policy borrowing tends to enable (see Steiner-Khamsi 2010) is short-lived. Soon after the adoption of a global education policy local interest groups pursue independent interests, pulling in different directions. Thus the discursive power of a global education policy dissipates at the very moment it is imported.

Using the triple bonus system in Mongolia as a case study I will examine whether there is a pattern to the reception and translation of the global education policies that tells us something about how and why they change over time. Using the terms ‘reception’ and ‘translation’ – which capture the selective borrowing and local adaptation processes that accompany policy import – I will specify which aspects of the reform were borrowed and how they were implemented. These two notions serve as my analytical tool for deconstructing the global/local nexus and exploring a vital question for comparative policy studies. As with most other social phenomena, the question of convergence gains complexity with each new scale and layer of analysis.

## **1. The case: the triple bonus system in Mongolia**

Performance-based payment represents one of several global education policies that development banks regularly advocate as ‘best practice’ (see Bruns, Filmer and Patriños 2011, ch. 4) even though evidence in developing countries, including in Mongolia, suggests that it does not work as intended.

### **1.1. Historical context**

In Mongolia the idea of ongoing performance evaluation has been criticised as arbitrary, imprecise, and the cause of needless paperwork. At first glance the bonus system appears as yet another travelling reform that was borrowed haphazardly and poorly implemented. Upon closer examination, however, we notice a specific pattern. There is a local logic to what aspects of the bonus system were borrowed, and how they were implemented to fit different contexts. The current practice may be broadly summarised as follows: principals and education managers (deputy school principals) undermine the idea of performance-based payment by dividing the budget for bonuses according to the number of teachers employed at the school and assigning equal payments to each. Occasionally a school chooses to single out a

teacher and withhold payment or, more commonly, assigns a lower payment. Because teachers do not trust the evaluations of school administrators, however, the bonus system has fuelled the perception that principals are corrupt and exhibit favouritism. This results in renewed pressure to divide bonuses evenly.

Naturally there are historical reasons for why practitioners and policy makers in Mongolia 'bought' the idea that the newly imported performance-based payments were the (global) solution to the (local) problem of low teacher salary. During communist times living costs were low, employment universal, and pensions high. Teachers were able to live comfortably with their income. Soon after the revolutionary changes of the early 1990s, an economic crisis created an unprecedented high rate of unemployment, poverty, and social inequality. The gap between public and private jobs began to widen, and within a few years public sector salaries failed to keep up with salaries paid by the private sector to equally or less-qualified professionals. A series of labour strikes in the mid-1990s made public sector salaries – teacher salaries in particular – a reform priority. Henceforth, the government raised teacher salaries every couple of years, typically either before (to win votes) or after (to fulfil promises) elections. After years of incremental reform, a major initiative in 2007 revamped the structure of teacher salaries. The slow change which took place between 1995 and 2006 – including small, periodic raises, the expansion of salary supplements, and the two new quasi-performance-based bonuses – were merely patchwork compared to the fundamental structural reform of 2007. In the school year 2010/11 the average base salary of a teacher was three times higher than it was in 2006/07. The average monthly base salary now is 324,292 MNT, or US\$270. In relative terms teacher salary is high. Only 5.5% of the population earns 400,000 MNT or more per-month, which means that teacher salary is now approximately in the top 5–10 percentile among the working population (UNICEF Mongolia 2011).

### 1.2. *A methodological note*

Before 2007 the low income of teachers – and also medical doctors – was a popular cause for complaint. Given that improving teacher salaries had been an important public issue for over 20 years, it is not surprising that international donors funded analytical work to understand the challenges of reform. In this work I draw on three teacher salary studies in which I participated during the period 2005–2011. Each of them enabled me to understand how the triple bonus system evolved over time and why policy actors selectively adopted elements from existing and imported practices. A few words on the context and the methodologies of the three studies may be useful here to localise policy import in the greater context of teacher work conditions in Mongolia.

The first study, *Teachers as Parents*, was funded by the Open Society Institute (Steiner-Khamsi, Tümenemberel and Steiner 2005, cited in Steiner-Khamsi and Stolpe 2006). It was a small project that had a big impact because it made the financial hardship of Mongolian teachers visible. We developed a novel methodological approach to obtaining answers concerning the various sources of income that teachers had to rely on in order to make a living. We interviewed 44 teachers located in four schools in two provinces, and asked them how they, despite their low salary, manage to pay tuition for their own children. Invariably the responses focused on personal debt, never-ending salary loans, and teachers' creativity in securing additional income not only from private tutoring, but also cattle breeding, farming, and selling

goods. In one memorable interview a middle-aged female teacher explained through tears how trapped she felt financially: ‘I am educating other people’s children and yet I do not have the means to send my own children to university’.

The second research project was a World Bank funded study, *Public Expenditure Tracking Survey* (PETS; World Bank 2006), which incorporated design elements used in PETS studies from other countries. It drew on a representative sample of schools in Mongolia and analysed financial flow and leakages at the school level (118 schools), district level, provincial level, and national level, as well as across all four levels of the educational system. In an attempt to evaluate per-capita financing we also compared the salaries of teachers who worked in small schools, typically located in rural areas, with those in large urban or semi-urban schools. This study too had a huge policy impact. Most shocking to the general public was the finding that teachers in urban and semi-urban schools did not mind teaching double shifts, or even additional hours after school to boost their low income. On the contrary, teachers complained if they were not able to take on additional hours. In rural schools, however, the student population was typically too small to enable teachers to take on additional hours. As a result, the salary of teachers in rural schools depended in large part (86.5%) on their low base salary. Meanwhile only slightly more than half of the total income of teachers in urban and semi-urban schools originated from their base salary. The remaining 48% came mainly from teaching additional hours as well as additional salary supplements. The fact that, depending on the location of residence, there was a vast salary difference for the same type of public servant, was appalling to the people and the politicians of Mongolia. The PETS study triggered the fundamental salary reform of 2007 and replaced the system in which teachers were paid based on actual teaching load, with a workload system of 40 hours per week.

The third and most recent study, the UNICEF *Study on Teachers* carried out for UNICEF Mongolia (UNICEF Mongolia 2011), evaluated the 2007 teacher salary reform in terms of equity and teacher deployment. It focused particularly on the impact upon schools in remote, rural locations where few people wanted to teach. Two findings were unexpected: one, there were three different bonuses existing in parallel; two, as mentioned above, almost every teacher was given one of the three bonuses. This, of course, defeated the purpose of selective, performance-based incentive payments. The UNICEF study identified the following three parallel bonus systems:

- bonuses for ‘*olympiads*’ or competitions, a legacy of the communist period;
- bonuses for outcomes-based education [in Mongolian: *ur dungiin geree*], introduced with funding from ADB in 2003 as part of the larger results-based management public sector reform; and
- quarterly performance bonuses, introduced by the Government of Mongolia in 2005 to make public sector salaries more compatible with private sector salaries.

The projects outlined above enabled me to carry out empirical research in Mongolia and compare the varied policy agendas of global actors.

Having sketched the contextual and methodological background, I will now examine the global/local nexus within the framework of policy borrowing and lending research. The intellectual preoccupation with travelling ideas, innovations, reforms or, more specifically, global education policy, has traditionally been anchored in two key concepts: reception and translation. Reception examines the initial contact

with the global education policy at the local level and focuses on the selection process. Translation addresses the local adaptation of the global education policy.

## 2. The reception of the global education policy

Typical research questions on reception include why local actors select a particular policy. Which problem was it meant, or did it pretend, to resolve? What was the ‘selling point’ of the policy that resonated or appealed to local policy actors? Why, as Antoni Verger has asked, did they ‘buy’ it (Verger 2011)?

There has been an exponential growth in the number of studies dealing with education and globalisation. Besides this special issue at least two other edited volumes were published in 2012 addressing issues of reception, selective policy borrowing, and cross-national policy attraction (see Steiner-Khamsi and Waldow 2012; Verger, Novelli and Altinyelken 2012). A review of several case studies on policy borrowing and lending suggests that two features – centrality and contestation – must be fulfilled for a global education policy to resonate in a particular (local) context. The latter may also be labelled protracted policy conflict. In my assessment, teacher salaries lend themselves to the former, i.e. the study of convergence, because they represent a policy domain that actors consider central even if they disagree on solutions. It is better for analysing reception than, for example, student-centred teaching, which is (at least at the discursive level), universally accepted. Arguably, teachers constitute the greatest number of public servants in any given system. In developing countries teacher salaries account for 80–90% of the national education budget, yet there is disagreement among the policy actors as to what the level of compensation and structure of the salary should be.

### 2.1. *The centrality of the policy domain*

In previous publications I have used the octopus as a metaphor to describe cross-national policy attraction, resonance, and reception. Local actors reach out and grab the arm of the octopus that is closest to their particular policy agenda, and attach (local) meaning to a (global) policy. It is essential to discuss why teacher salary reform has been so central to so many policy actors and understand how each of them defines the (local) ‘problem’ surrounding teacher salaries differently. This will enable us to then explain how ‘externalisation’, in this case, import of the outcomes-based education bonus system, was seen as a compromise and functioned as a coalition builder for various policy actors.

The policy actors – which, for purposes of illustration, I will define as the Teachers Union, parents associations, the state, international donors, and teachers themselves – have advocated for a teacher salary reform for a variety of reasons. For this reason they were receptive to reform, especially if it came with external funding and a quasi-international stamp of approval.

For the first group of policy actors, the Teachers Union, salary-related issues are a top priority. Almost all teachers in Mongolia are unionised and their membership fee is directly deducted from their salary. Post-communist countries faced two economic challenges following the transition period in the early 1990s. One, how to close the ever-widening income gap between the public and the (new) private sector; and two, how to increase the salaries of public servants without setting off inflation. Because of the large size of the workforce in the public sector, every salary increase for state employees instantly prompted higher prices in consumer goods and services, thereby

negating the gains that such an increase would have entailed.<sup>1</sup> The Teachers Union was skilful in negotiating teacher-specific salary supplements that enabled a salary increase for teachers only.

Prior to the 2007 Teacher Salary Reform teachers were compensated for a host of activities that were considered supplemental to the main task of teaching a subject (see World Bank 2006). Thus, supplements included serving as class teacher, grading student notebooks, managing a school laboratory (Mongolian: *kabinet*), subscribing to a newsletter, and a host of other things. The structure of teacher salary became increasingly fragmented and the income of teachers was, due to frequent and arbitrary supplement deductions (made by education managers and school principals), opaque and unpredictable. Concurrent with the economic boom fuelled by the emerging mining industry in 2006, the Teachers Union favoured a comprehensive teacher salary reform that would not only raise the nominal value, but also simplify the teacher salary structure. It was expected that a more transparent composition of teacher income would make teachers less vulnerable to external evaluations and increase their job satisfaction.

The second group of policy actors consists of parents and their representatives in schools, communities and local politics. Parents suffer when teachers are underpaid because they are typically the ones who compensate for low teacher salaries. Parents are coerced into paying additional fees, giving gifts, taking private tutoring lessons, and providing a host of other material and immaterial goods and services in exchange for the instruction of their children. Prior to the 2007 reform which integrated the various salary supplements and institutionalised the various bonus payments, students and parents in rural schools had to endure substitute teachers who taught subjects for which they had no training. Russian teachers taught English, biology teachers taught maths, etc., which obviously had a detrimental effect on the quality of instruction. This phenomenon was exacerbated by the shortage of teachers in remote rural areas that schools tried to resolve by allocating additional teaching hours to the existing teaching staff. The popular practice of ‘redistribution of hours’ helped teachers to boost their salary, but the hours they took were, more often than not, in subjects for which they had no training.

For the state, the teaching workforce is the single largest political constituency to which it both has direct access and depends upon. Teachers vote, and through their daily work directly influence the mass of future citizens. It is common for schools to be transformed into polling stations and teachers charged with counting the votes. The latter fuels the perception in some countries that teachers are cheaters rather than honest pedagogues. Furthermore in many countries, including in Mongolia, it is a political rather than a professional mandate to serve as school director. Schools are, more so perhaps in small villages than in large cities, the centre of social and cultural life. A labour strike by teachers would not only be a major threat to students and parents, but also to politicians and the local community.

The fourth group of policy actors – international donors – pursue a wide array of agendas. Mongolia is in the privileged position of having relatively few donors who, for the most part, divide, rather than replicate, their work. Each donor focuses on specific aspects of educational reform. In instances when they provide grants or loans for the same reforms, donors naturally tend to hold opposing views and compete with each other for the patronage of government and civil society organisations. The largest donor in the Mongolian education sector is the Asian Development Bank (ADB). ADB actively promoted performance pay and an outcomes-based bonus system in the early years of the previous decade as part of a broader reform that targeted

a leaner, more efficient government. The public sector management and finance reform was funded, in December 1999, by a US\$25 million loan from ADB. A second, for US \$15.5 million, granted in October 2003, targeted accountability and efficiency in health, education, social welfare, and labour.

In the late 1990s New Zealand became the destination for policy pilgrimage. Every member of the Mongolian parliament and all senior-level staff at the ministries were sent on study tours to New Zealand. By the time all of this was taking place, however, critical observers had already published and widely disseminated their doubts about whether New Zealand's style of public management was transferrable to developing countries. The idea of replacing interpersonal agreements, nepotism, and bribes with annual contracts that clearly spell out expected outcomes was appealing on paper, but hardly anyone believed that it would work in practice. Nevertheless, in 2003, the Ministry of Education embarked, with funding and technical assistance from ADB, on the experiment and published a 319-page handbook on outcomes-based education (OBE) with numerous examples of student benchmarks and teacher scorecards (MOECS 2003). Over the next few years, when the critical voices and doubts about the applicability and the evaluation criteria of the outcomes-based bonus system became louder, the Ministry of Education downplayed the OBE bonus system and ceased rigorously enforcing its implementation. Each school was charged with the task of developing its own evaluation roster based on a few general guidelines and examples that the Ministry of Education provided. More importantly, the ministry charged each school with funding bonuses for high-performing teachers and employees from their own budgets. The moment the Ministry of Finance excluded the OBE bonus payments from the national education budget the reform lost its lustre. Schools haphazardly filled out contracts and, subject to availability of unused school funds at the end of the year, either redistributed the money among all teachers or chose to reward a few at the expense of the rest.

The Asian Development Bank is not alone in disseminating its own reform priorities by providing technical assistance with funding for implementation. Every other international donor in Mongolia is equally mission-driven, presenting reform priorities as 'best practices' and insisting that their practices correspond to 'international standards'. I will confine myself to briefly sketching the teacher-specific reform priorities of two of the three organisations for which I carried out the three studies referred to above. I do not include UNICEF because they only recently acknowledged teachers as an important target group for their interventions.<sup>2</sup> The mission of the Open Society Institute is to promote critical thinking and debate skills among children and youth. These goals were received positively in Mongolia due to the fact that the previously well-funded in-service training system had almost completely collapsed. However the Open Society also encountered cultural and structural barriers. As mentioned, teachers receive supplementary payments for grading student notebooks, and are also rewarded for focusing on a few best-performers in class. A teacher receives a bonus for every student who ranks first, second, or third in an *olympiad*. For the Open Society Institute, not only a reform of the salary structure, but also a revision of the bonus system which rewarded teachers for working with *all* students, and not only with high performers, was key to sustaining their efforts in student-centred teaching. The World Bank, in turn, is driven as a matter of principle by a concern for cost effectiveness and advocates cuts in public spending in Mongolia, particularly in the education and the social sector. Understanding financial leakages in the system, including differences between the entitled, actual, and disbursed teacher salary, was of the greatest importance to the

World Bank. A more transparent salary structure and performance-based payments in the form of bonuses matched their mission. Thus the bonus system appealed to these three important donors – the Asian Development Bank, the Open Society Institute, and the World Bank – for completely different reasons.

The fifth group of policy actors consisted of the beneficiaries themselves – teachers – and related to their identity as professionals. Teacher salary is directly linked to recruitment, motivation, and retention in the profession. Teacher recruitment has been a big concern in Mongolia. Teacher education programmes focus on students who performed poorly on school exit and university entrance exams. It is a negative selection criterion topped with a bad incentive: the chances of receiving a scholarship are much higher for teacher education studies than for any other university degree programme.<sup>3</sup> Structural problems related to low teaching salary surfaced at each phase of recruitment, including admission to teacher education studies, completion, transition into the profession, and retention. Nowadays the university–work transition rate is below average in teacher education studies, primarily because there is a surplus of graduates who cannot find employment. Only 23.4% of teacher education graduates work as teachers (UNICEF Mongolia 2011).

The categorisation of policy agendas along five types of policy actors is meant to illustrate that teacher salary reform was identified as a central, even pressing, policy domain by all relevant actors. In terms of policy theory this means that the threshold for coalition building was low. Different from other reform areas in which one policy advocacy group needs to first (often with the help of low ranking in international comparative studies) orchestrate a crisis scenario to convince other groups to join forces for reform, teacher salary in Mongolia was universally seen as being in urgent need of repair. The different stakeholders shared the general need or the idea for teacher reform. Moreover, this section demonstrated that the ADB-funded reforms on results-based management resonated with the various policy actors for different reasons. As the next section demonstrates, these divergent interests resurface with greater intensity at the next stage when a policy is actually formulated and designed.

## **2.2. *The contestation of the policy domain***

Even though teacher salary was considered a policy domain in urgent need of reform there was disagreement on how to change it. I will confine the spectrum of opinions to three areas:

- collective versus individual rewards;
- external control versus professional ethos; and
- excellence versus democracy.

### *Collective versus individual rewards*

Despite general agreement that the salary was too low, the question of whether all or only well-performing teachers should benefit from a substantial salary raise remained. For example, ‘modern’ Mongolians found the social redistribution practices – commonly associated with the communist past – backward, and believed that individuals rather than the collective should be rewarded. They sided with the economists at the Ministry of Finance, IMF, and development banks, who in the early years of the

millennium (before the economic boom) found the bonus system to be the only way of solving the salary crisis.

#### *External control versus professional ethos*

Teacher accountability is a global buzzword. In Mongolia, teacher accountability and control have been pillars of the educational system to the point where teachers are humiliated. Control mechanisms are so panoptical that, for example, the salary supplement for grading student notebooks is not paid in full unless the education manager confirms that there are handwritten notes from the teacher in each student's notebook. To this day many schools specify that the colour of the notes must be red to make it easier for education managers to control teachers. Again, segments of the population made the 'modernisation' argument, demanding more intrinsic control and fewer punitive measures. The Mongolian State University of Education took the lead in strengthening the code of conduct, labelled 'professional ethos', in Mongolia. The university developed teacher standards as well as an ethical code for teachers.

Meanwhile the outcomes-based contracts appeal to the honesty of teachers. Teachers are supposed to evaluate their own performance while education managers merely review the contracts. In the context of a controlling work environment the idea of self-evaluation signalled a quantum leap that raised many eyebrows. Whether self-evaluation in effect replaced, either partially or completely, the external evaluation carried out by education managers is a different question. There is serious doubt that it did. That every single education manager in the UNICEF *Study on Teachers* (UNICEF Mongolia 2011) complained about the excessive workload that the implementation of the outcomes-based bonus system required suggests that, in practice, the self-evaluation (by teachers) carried little weight as compared to the external evaluation (by education managers). Nevertheless there was, in principle, a broad alliance among practitioners for a bonus system in which teachers are no longer micromanaged and sanctioned for wrong-doings. Rather, many believed that teachers should be rewarded for deeds like preparing their lessons well, looking after the equipment in the classroom, enrolling in professional development classes, dressing properly, helping the school director with administrative tasks and also – in the long list of criteria of the outcomes-based education contracts – improving the learning outcomes of their students (see Steiner-Khamsi and Stolpe 2006).

#### *Excellence versus democracy*

The *olympiads* are extremely popular and winning them constitutes the most important criteria for promotion. If a teacher wins an *olympiad* for a particular subject matter all other requirements (leadership skills, ethics, grades of students) become inconsequential. Furthermore, if the teacher wins a high-level *olympiad* (provincial or national level), she or he is directly promoted to higher ranking positions such as lead teacher or methodologist. Interestingly, the teacher also receives a bonus if their student wins at one of these competitions, the assumption being that the teacher must have supported and promoted the award-winning student, and should be rewarded accordingly. It is important to bear in mind that these promotion criteria, and with them the performance-based salary scheme, have been in place since the 1970s, long before OBE reforms were being pushed. The competitions were conducted at each administrative level – municipal, district, provincial, and national – leading to a whole host of awards and insignia.

The *olympiads* offer themselves as opportunities for teachers to travel and meet their peers from other schools. However critics charge that *olympiads* encourage teachers to focus on only a few promising students, coaching them for the competitions, while neglecting the rest of the students in the class. In other words, a practice that began during the socialist era is criticised as elitist – geared solely towards gifted students – in the post-socialist period. During communist times, *olympiads* were celebrated for encouraging ‘socialist competition’ in the service of the common good. The idea was that only the very best would lead; but what constitutes the common good nowadays? As with the previously listed controversies, the arguments against *olympiads* are framed in terms of modernisation: in a modern democracy all students, rather than simply a few, should be mentored for excellence. According to this argument the only teachers who should be rewarded are those that have helped to raise the performance of the entire class, as opposed to just a few high-performing students. In the end, however, both bonus systems were established side by side: the traditional bonus system, based on *olympiads* and targeting a small group of high-performing students, and a bonus system based on the OBE contract that supposedly rewarded teachers who improved all students’ learning achievements in a class.

To sum up the outcome of the controversies surrounding payments for good performance: at first glance it seems that the ‘modernisation’ argument was victorious, yet existing practices and structures persisted and, in the end, the older system outlived the two newer systems – the OBE bonus and the quarterly performance bonus. Today, 10 years after the two new types of bonuses were introduced, the *olympiad* bonus remains intact and, ironically, is the only bonus based exclusively on performance. The other two externally funded bonuses are welcomed as sources of additional income for teachers but do not follow the logic of a bonus. The quarterly performance bonus is given to almost every teacher and the OBE bonus is only given if the school has left-over funds available at the end of the year.

### 3. The translation of the global education policy

It is not unusual for an imported global education policy to be merely added to, rather than replace, existing practices and policies. I believe ‘hybridisation’ is an overused term that fails to account for important details such as what was selectively borrowed, what was modified, what was resisted and, most importantly, why and how selective borrowing occurred. Similarly, in Mongolia, the two new bonus systems (bonus for outcomes-based education and bonus for quarterly performance) did not replace the popular *olympiads*. It would also be wrong to assume that the three bonus systems – one pre-existing, two added/imported – simply hybridised and generated a new fourth type of bonus system integrating elements from all three. As I will show, the triple bonus system developed over time into three distinct systems, each with a different purpose or function in terms of teacher reward or sanction.

In 2012 there were three performance-based bonus systems operating in the Mongolian public school system. The first was introduced decades ago by the communist regime (*olympiads*) and funded by state-supported teacher associations. A second outcomes-based system was initially supported with generous funding from the Asian Development Bank. Later, however, costs were transferred to local school budgets at which point the programme either received meagre support or was dropped altogether. A third system was based on quarterly performance. This system boosted salaries for all teachers, aside from an unfortunate few who were disliked by school administrators, or

who for professional, personal, or political reasons, were regarded negatively. On paper all three bonus systems were tied to teacher performance. In practice, however, only the *olympiad* bonus system has retained the feature of performance measurement. The second bonus-system has a contractual function and the third is based on vague and confusing evaluation criteria, and is used to boost salaries.

To reiterate, each bonus system has encountered criticism for different reasons:

- bonuses for *olympiads* and competitions reward teachers for focusing on high-performing students;
- bonuses for outcomes-based contracts rely entirely upon funds generated at the school level and generate inequities between large (resourceful) schools and small (resource-poor) schools; and
- bonuses for quarterly performance are financed from the centrally allocated salary fund but, in effect, function as a thirteenth monthly salary in that the bonus is given indiscriminately to almost every teacher at the school, thus undermining the purpose of the bonus.

Table 1 presents the main features of the three bonuses and also summarises the distribution practices in a sample of 28 schools and 123 teachers, selected by province and

Table 1. Main features of the three types of bonuses.

Type of bonus	Intended purpose; frequency of award	Financing source	Actual beneficiaries as % of all teachers in the study ( $N = 123$ )	Average amount as % of monthly base salary
Olympiads & competitions	Rewards teachers who developed high-performing students in class; awarded once or twice a year	Special fund from central, province, or district budget	40.0%	5–50%
Outcomes-based contracts	Rewards teachers on a variety of performance criteria, including overall class performance, lesson planning, communication skills, etc.; awarded once a year	Education fund of the school	29.0% <sup>a</sup>	30%
Quarterly performance payment	Reward teachers who did exceptionally well (score A) or well (score B) on four evaluation criteria; awarded every three months	Centrally allocated salary fund	99.2%	10–15%

Note: <sup>a</sup> The percentage figure must be read in context with the funding source. The ratio only applies to schools that manage to save money in their budget and disburse bonus payments for OBE contracts. Not all schools are able to make such payments.

Source: UNICEF Mongolia (2011).

location (rural, semi-urban, urban). The column on actual beneficiaries lists the percentage of teachers who received the bonus in the past quarter or in the past year, respectively.

Even though both imported bonus types (outcomes-based education and quarterly performance payments) require significant paperwork from education managers, they are, in the end, vague and arbitrary. As mentioned before, education managers do not dare make harsh judgments of teachers' performance for fear of being criticised as biased and corrupt. As shown in Table 1, almost all teachers (99.2%) receive the so-called Quarterly Performance Payment. Less than a third of teachers receive the outcomes-based education bonus, and 40% of the survey teachers received a bonus because either they or their students ranked first, second, or third at an *olympiad* in the past year.

#### 4. Conclusions

Over the past 10 years I observed with great fascination the evolution of the elaborate bonus system in Mongolia. *Olympiads* were held in more than 30 countries throughout the communist world, but only survived in a few. In Mongolia, *olympiads* remained popular despite attempts to replace them with more 'modern' performance-based bonus systems. The outcomes-based education contracts were introduced first, followed by the quarterly performance payment system soon thereafter. Even though the introduction of two additional, very similar, bonus systems seemed redundant, it made sense from a financial perspective. In past publications I used the triple bonus system as a prototypical case of the economics of policy borrowing. The emphasis was on the import of two additional bonus systems that, solely for economic reasons, were added onto a pre-existing indigenous bonus system. I examined only the initial stage of policy borrowing and argued that the Ministry of Education, Culture and Science implemented the two imported bonus systems as a means to justify additional payments to teachers. Thus, in policy borrowing and lending research, there is no such thing as 'phony borrowing'<sup>4</sup> (Phillips 2004) and there are no 'frozen accidents'<sup>5</sup> (Davies 2004). Rather there is a 'socio-logic' (Schriewer and Martinez 2004) to why a global education policy is borrowed. It is simply a matter of identifying the features of the local policy context that enhance the chances of policy borrowing.

Today, years later, my earlier interpretation of the economics of the bonus policy import must be expanded because one of the imported bonus systems has changed meaning. This re-translation was triggered by changes in the funding mechanism. From the moment schools were put in charge of paying for the bonus themselves the outcomes-contracts ceased to be a tool for withholding incentives to poor-performing teachers, and instead became a tool for firing teachers. The labour laws in Mongolia make it difficult for employers to lay off employees. During a time when the teaching profession regained popularity and was burdened with an oversupply of teachers, school administrators sought ways to terminate the employment of difficult or ineffective teachers. It is the contract of OBE, rather than the payment of OBE, that gained momentum. The OBE contract was stripped of its financial dimension and replaced with a legal function. In effect, the OBE contract turned teachers into contract workers who are *de facto* hired under an annually renewable contract (see UNICEF Mongolia 2011).<sup>6</sup>

This current reading is more dynamic than my earlier interpretation (Steiner-Khamsi, Silova and Johnson 2006) in that it acknowledges a process of constant re-

interpretation or re-translation of imported reform. The triple bonus system indicates a continuous process and is not, as my previous interpretations seem to suggest, terminated at the moment an imported reform is implemented. In theoretical terms each of the three bonus systems has become its own unit, system, or (sub-)organisational field that increasingly differentiates itself from the other two bonus systems. Even though the two imported bonus systems were initially just duplicating the post-communist *olympiad* bonus system, all three – one traditional system and two newly imported ones – became increasingly different. The triple bonus system developed over time and, as a result of functional differentiation, bifurcated into three separate systems. One became increasingly pedagogical (*olympiads*), another took on a legalistic, contractual function (outcomes-based education bonus), and a third (quarterly performance payment) became simply an additional monthly salary.

Arguably, the fragmentation into three different bonus systems is radically different from the initial stage when the two newly imported bonus systems signalled a move towards a more professional or ‘modern’ performance evaluation. All three systems, especially the two new bonus systems that were actively propelled by the Asian Development Bank, underwent several changes in the process of implementation. Within a short period of time performance measurements and evaluations were dropped and replaced with a (post-communist) redistribution practice in which the pot of money was, with a few notable exceptions, distributed equally among teachers at a given school.

I have argued in this article that the global/local nexus should be rolled out along a time axis. It is often only at the early stage of policy borrowing that reforms look alike. This similarity is frequently exaggerated as part of an attempt to create a transnational alliance or shared global space. The ‘global speak’ of politicians and policy has, as discussed elsewhere, an economic and political dimension (see Steiner-Khamsi and Stolpe 2006; Steiner-Khamsi 2010). My own interpretive framework draws on the theory of self-referential social systems (Luhmann 1984) and, in comparative education, on the theory of externalisation (Schriewer 1990). I draw attention to the local meaning, adaptation, and re-contextualisation of reforms that have been transferred or imported. Different from cultural anthropologists, however, understanding ‘local meaning’ of global education policy is not the end goal (see Anderson-Levitt 2003), but is ‘only’ a methodological tool for understanding the policy process in an era of globalisation. In other words, the main terrain of my work is comparative policy studies, not cultural anthropology. I find anthropological research thick in description, yet relatively thin when it comes to interpretation and understanding the power, legitimacy issues, and political processes that explain policy change.

However anthropologists are not alone in scrutinising the global/local nexus. One might argue – in line with the neo-institutionalist perspective – that there is always a loose coupling between a policy and its implementation. In fact, loose coupling is a metaphor that is frequently used by scholars in institutional theory and organisational sociology to denote the discrepancies between the various levels or activities within an organisational field. Similar to discrepancies between attitude and behaviour, intention and action, policy and practice, loose coupling is for many scholars of neo-institutionalist theory irrational, idiosyncratic, or particularistic. An investigation of loose coupling is therefore irrelevant to them, as they expect few insights for their larger sociological project of understanding long-term changes at societal level. In comparative education, Francisco Ramirez (2003) and David Baker and LeTendre (2005) seem to revert to loose coupling as an explanation whenever they encounter profound

differences between a universal standard (e.g. student-centred teaching, gender awareness, etc.) and its local manifestation. Such an approach, however, is of limited value for understanding cross-national policy attraction or re-contextualisation. Ultimately, for neo-institutionalist theory, loose coupling *is* the explanation (Latin: *explanans*) rather than the issue that begs for an explanation (*explanandum*). An analysis of the global/local nexus requires that loose coupling is not only acknowledged, but also analysed in great detail and interpreted.

A more explicit reflection of the global/local nexus is in order here. Susan Robertson presents a very useful categorisation of the term ‘global’ and finds that it covers a wide range of social phenomena including a condition, a discourse, a project, a scale, and a reach (Robertson 2012). I use her typology of globalisation and add terms that are commonly used in globalisation studies and comparative education:

- *condition of the world*, labelled by most authors as globalisation;
- *discourse*, also known as ‘semantics of globalisation’ (Jürgen Schriewer);
- *project*, popularised with the term ‘globalisation optique’ (Stephen Carney);
- *scale*, typically addressed with terms such as global players/actors; and
- *reach*, in this essay referred to as global education policy.

The distinction clarifies what I mean by the juxtaposition of global/local or global versus local actors, frequently used in this article. The two terms are relational and only make sense in combination. Robertson’s thoughtful categorisation enables us to dig deeper into the question of how re-contextualisation studies help advance theories of globalisation and the policy process, and identify the areas under scrutiny. For example, several of us have made it a vocation to challenge the current, nationalistic, and parochial theories on policy change. This conviction has to do with our particular perspective: we see a global map underlying national policy agendas. This particular *globalisation optique* makes us interpret national or local education policy in a particular manner. For us, ‘globalisation’ is – to use Robertson’s terminology – a ‘project’ that helps us to see and interpret local education policy in its larger context. Globalisation is the relatively new terrain of reforms or, as Verger, Novelli and Altinyelken (2012) phrased it: the ‘context of contexts’ of education policy.

The relational feature, reflected in the research focus on the global/local nexus, has been pointed out by many but investigated empirically by few. I find the notions of ‘positionality’ and ‘audience’ key for understanding the relational nature of global education policy. In my earlier work on global education policy in Mongolia I noticed that government officials frequently engage in double-talk. One talk directed towards donors (‘global speak’) is instrumental for securing external funding. Another, printed in party action programmes funded from the national education budget, and distributed through the media, is addressed to a Mongolian audience (‘local speak’). The first is published in English and recycled in technical reports, education sector reviews and strategies that are funded by international donors. Meanwhile the local speak in Mongolian is barely accessible to international consultants and researchers, leading donors to perpetuate the myth that the only reform projects the Government of Mongolia is carrying out are those funded by international donors. It was in this context that I suggested we examine policy bilingualism, that is, the two different scales or ‘spaces’ from which one and the same policy actor or state institution speaks or operates. In his research, Tavis Jules takes this distinction a step further, analysing the different audiences that the Caribbean government addresses in different policy documents (Jules 2012). He finds that they refer to different

reform priorities and strategies depending on whether the audience is national, regional, or international. His work on policy triangulism represents a fascinating study of the spatial or scalar dimension of globalisation studies.

Theoretical debates on policy bilingualism, multi-scalarity, multi-spatiality, or the relational nature of local versus global policy actors, are crucial for reflecting on the distinction between global (out there) and local (in here). In terms of system theory, the global is locally induced, that is, policy actors refer to ‘best practices’, ‘international standards’, ‘globalisation’ or to particular reforms from elsewhere at moments when they need a quasi-external stamp of approval to unite varied interest groups. They actively create a distance between themselves and the Other or to the Global, and make it purposefully *appear* to be ‘external’ or ‘out there’ in order to mobilise reform pressure from within the system. New scholarship on projections into the educational system of the league leader Finland greatly advances research on the global/local nexus. Takayama (2010) investigates how Japanese policy analysts explain the Finnish success and Waldow (2010) does the same for the German context. The explanations vary considerably and have more to do with context-specific policy debates in Japan and Germany, respectively, than with the actual features of the Finnish educational system.

The relational nature between the global and local must not be underestimated. As mentioned above, one of the most dazzling phenomena is that local politicians periodically invoke globalisation semantically and present it to their local audience as a quasi-external force, for the sole purpose of generating reform pressure on local policy actors. The fact that a series of similar global education policies circumvent the globe is often taken as proof that national educational systems are converging towards the same reform package, or towards the same set of global education policies. Note the circularity of this argument: local politicians first create the phantom of (vaguely defined) international standards to generate reform pressure. They then use the existence of such (self-produced) standards as proof that all educational systems, including their own, must be aligned with them. To put it differently, ‘globalisation’ is a reality but also a phantom that is periodically mobilised for political and economic purposes. Robertson’s distinction between globalisation as a condition (real globalisation) and a discourse (imagined globalisation) comes to mind here (see Steiner-Khamsi 2004).

It is, for all the reasons mentioned in this article, important to study re-contextualisation and interpret why particular features of a global education policy have resonated in a particular policy context, and how they have been translated over time. My interest does not lie in describing performance pay as a global education policy (often reduced to a meaningless label when analysed comparatively), but rather with understanding the various aspects of performance pay schemes that resonate in different contexts, and are subsequently adapted locally and, as in the case of Mongolia, subverted. It is the re-contextualised versions of one and the same global education policy that tell us something about context, but also about the policy process and about policy change.

This article explored a research question that is key for understanding the global/local nexus: what do the acts of reception and translation suggest in terms of agenda setting, formulation, and implementation of educational policy? The focus on reception and translation lends explanatory power to *local policy contexts*. Such a research angle makes it feasible to investigate the contextual reasons for why reforms, best practices, or international standards, were adopted. Using the local policy context – rather than the global education policy – as the object of analysis, places great weight on the agency, process, impact, and timing of policy borrowing. It is this context that provides the clues for understanding why a borrowed reform resonates, what policy issue it pretends

to resolve, which groups it managed to empower at the expense of others, and which policy actors it managed to mobilise in support of a reform.

### Notes

1. For example, in the year 2008, a year after the salary reform, there was a circa 27% hike in inflation, and in 2010 the inflation rate was approximately 10%. It is therefore important to assess the *relative* teacher salary, that is, teacher salary in comparison with other private and public sector jobs. In December 2011, teachers took to the streets to request a raise that would reflect a salary adjustment to match the double-digit inflation rate in Mongolia.
2. In the period 2009–2011, 10 UNICEF national offices commissioned studies on teacher-related policies in collaboration with the regional UNICEF offices CEECIS (Central and Eastern Europe and the Commonwealth of Independent States) and ESAR (Eastern and Southern Africa). The UNICEF Headquarters in New York issued the ‘Teachers for the Marginalized Initiative’ in 2011.
3. Nowadays, thanks to the economic boom in Mongolia, government scholarships are generously given to all students in higher education.
4. David Phillips uses the term ‘phony’ policy borrowing to capture the frequent occurrence of ‘lip-service being paid to the attractiveness of features of education elsewhere, with little will – or insufficient time within the period of office of a government – for implementation to be feasible’ (Phillips 2004, 57).
5. Lynn Davies (2004, 34) makes reference to ‘chance events from the past [that] become an integral part of life’. Using the example of the QWERTY keyboard, introduced initially to slow down typing because the keys got stuck together, a problem which has long been resolved, Davies identifies formal education systems as a *frozen accident*. Drawing on the example of the QWERTY keyboard, William deJong-Lambert (personal communication) added that other more effective typewriter models existed at the time (e.g. Malling-Hansen Writing Ball) but did not sell due to poor marketing and networking. This is to suggest that perhaps frozen accidents reflect the power relations at the moment a situation or a phenomenon became protracted.
6. A similar development occurred in the Canton of Zurich, Switzerland, in the early 1990s. Ernst Buschor, at the time Minister of Education, was a firm believer in new public management. He implemented outcomes-based education reform in Zurich (German: *wirkungsorientierte Schulreform*) and threatened to introduce performance pay for teachers. In the end, the unions agreed to abolish the status of civil servant (German: *Staatsbeamte*) in exchange for not introducing performance pay.

### Notes on contributor

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