

The economics of policy borrowing and lending: a study of late adopters

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The article draws on interpretive frameworks from diffusion research and social network analysis to explore one particular ‘travelling reform’—outcomes-based education—that went global. The argument is made that by virtue of studying late adopters of a travelling reform one is examining globalisation. The cases in point for late adoption are Central Asian education systems (in particular Mongolia and Kyrgyz Republic) that borrowed outcomes-based education reforms at a time when the popularity of similar reforms were already in decline in other countries, notably in New Zealand, Australia and South Africa. The emphasis of this study is on the timing of policy borrowing, and it is suggested that more attention is given to the economics of policy borrowing.

Introduction

Over the course of the last few years, the belief in outcomes as an effective quality improvement and monitoring instrument has developed into a doctrine. Having attained the rank of ‘educational orthodoxy’ (Smyth & Dow, 1998, p. 291), many policy experts feverishly promote it. They view its global diffusion as ultimate proof that this particular reform strategy is effective and accelerates change in schools. Outcomes-based education (OBE) may be seen as an example of a reform epidemic that has afflicted education systems around the globe, especially at the stage of policy formation, and to a lesser extent at the stage of policy implementation. Policy formation and implementation are vastly different processes. However, the question of whether global talk about OBE has actually led to OBE-like reforms in practice will not be discussed here, as such an inquiry would require a normative interest in establishing the features of what an outcomes-based education reform should entail. The fact remains that policy experts in a wide array of countries have discursively and, more importantly, selectively borrowed OBE.

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This article focuses on the temporal dimension of policy borrowing and draws attention to the late adopters of outcomes-based educational reform. Diffusion research distinguishes between three phases of epidemics, including the slow growth, explosive and burnout phases of dissemination (Watts, 2003, p. 172). Late adopters of a reform join the epidemic or reform movement at the burnout stage. By the time global reforms such as OBE land in late adopter countries, they are at the same time everybody's and nobody's reform. These reforms are generally deterritorialised, making it difficult to map the education system that served as an exemplar for emulation. When examining late adoption, we deal with reforms that have already gone global: the investigation of the late adopters becomes the study of global reforms.

Once we introduce a temporal dimension into the study of reform adoption or policy borrowing, we become attuned to puzzling phenomena that deserve further analysis. For example, a review of where OBE surfaced in the past 15 years makes clear that there is no predictable path of diffusion. The education systems of Namibia and South Africa count as early adopters of OBE, and Central Asian countries qualify as late adopters. Moreover, the latest adopters or 'laggards' to date have been education systems in continental Europe such as Germany and Switzerland. Not only is the route of the travelling reform circuitous, but the 'reference societies' (Schriewer & Martinez, 2004, p. 34)—the education systems that explicitly served as exemplars of emulation—varied in each country. The randomness of policy diffusion demands explanation, but there are few cues in policy borrowing research that would explain why, for example, the low-income Central Asian countries Kazakhstan, Kyrgyzstan and Mongolia took the lead among late adopters of OBE. This conceptual vacuum might be a legacy of policy borrowing research, which in great parts has been concerned with the study of transatlantic transfer (in particular USA–UK) and inter-European transfer. Attention to low-income countries not only reveals new types of transfer (regional transfer, South–South transfer), but also—as this article presents—the limitations of policy borrowing research focusing exclusively on cultural, social and political dimensions of transfer, and neglect the economics of policy borrowing.

The global diffusion of outcomes-based education

Because globalisation involves deterritorialisation it is difficult to map the trajectories of transplanted reforms. This is not to suggest that it is not worthwhile to trace the itinerary of travelling reforms, but such an endeavour requires that actors and institutions of dissemination are first identified, and their cross-national interactions with other actors and institutions then traced. Inspired by methods of social network analysis, Eugenia Roldàn Vera and Thomas Schupp (2005) recently applied the method of social network analysis to track the dissemination of the Bell-Lancaster model of schooling in Latin American countries between 1818 and 1845 (Roldàn Vera & Schupp, 2005). The monitorial system of education associated with Andrew Bell and Joseph Lancaster was conducive to mass schooling, as it enabled the instruction of a large number of students under the guidance of a few teachers, assisted by student 'monitors'. Drawing from historical accounts, they reconstructed

the interactions between European and Latin American actors and institutions that promoted and disseminated the Bell-Lancaster model of schooling. Contrary to assertions made by Roldàn Vera and Schupp (2005), the emphasis on agency and social networks is by no means new to comparative educational research. In fact, early researchers in borrowing were enamoured with mapping the routes of government officials who were dispatched to learn from experiences elsewhere. David Phillips's research on the impact of German–British interactions on school reform in the UK at the turn of the century (Phillips, 2000) represents the most extensive study to date on cross-national interaction and 'policy attraction' (Phillips, 2004). In another study, Gita Steiner-Khamsi and Hubert Quist (2000) mapped the transfer of the US Hampton-Tuskegee model of industrial-vocational schooling to colonial Ghana. This transferred model of the 1920s became known as 'adapted education', and was eventually implemented in colonial schools throughout the British Empire. The case study of the Achimota school, colonial Ghana, revealed a dense network of missions, colonial government, philanthropies and universities which accounted for the global diffusion of 'adapted education' in the first half of the 19th century.

Most studies on cross-national network analysis typically deal with travelling reforms from the past. An exception is the dissertation of Carol Anne Spreen (2000) in which the network of OBE brokers at play was analysed in great detail to understand why, from all available reform models, OBE was imported in South Africa. In fact, OBE is frequently used in comparative educational research to illustrate the importance of cross-national and cross-sectoral networks for understanding policy diffusion. I use the term 'Maris O'Rourke Effect' to describe the role of 'bridges', that is, individuals who act across nation states and institutions. One of the chief architects of OBE in New Zealand, Maris O'Rourke, was appointed as a senior officer at the World Bank in the mid-1990s. When O'Rourke moved from New Zealand to the United States in 1995, OBE moved with her. It then experienced an explosive growth in low-income countries receiving loans or grants from the World Bank (Steiner-Khamsi, 2004).

Of course, it is much easier to simplify the cross-national interactions of policy brokers or entrepreneurs of the past, than those who are still alive. Apart from anecdotal evidence concerning the significant role of international consultants (Samoff, 1999; Werning Rivera, 2004), international organisations (Jones, 2004; Steiner-Khamsi, 2004), 'transnational regimes' (Bennett, 1991), or 'transnational epistemic communities' (Rose, 1993) for the global dissemination of particular 'best practices', there is a lack of empirical studies on contemporary cross-national policy networks. Comparative policy studies lag dramatically behind domestic educational policy research that for years has investigated the interaction between foundations, policy think tanks and policy scholarship (e.g. Ogawa, 1994), or highlighted the role of issue groups and policy entrepreneurs who lobby for specific reforms (Mintrom, 1997; Mintrom & Vergari, 1998; Dolowitz & Marsh, 2000). A preoccupation with policy diffusion requires an investigation of agencies that are involved in the actual policy borrowing or lending process. Thus, whereas diffusion relates to the outcome

of educational transfer, the study of borrowing and lending deals with the process by which reforms are transplanted from one context to another.

Having listed some of the challenges in tracing the process of policy diffusion in a more sophisticated manner, I will now discuss factual aspects of OBE diffusion. It is possible to identify when OBE surfaced in a particular education system by determining the year in which the idea of outcomes as a quality improvement and monitoring instrument was first inscribed in legislation. A brief event history of OBE, following legislative benchmarks, is useful in outlining the late arrival of such reforms in Central Asia and continental Europe.

Slow growth stage and early adopters

New Zealand revamped its public sector in the 1980s, culminating in the State Sector Act of 1988, and Public Finance Act of 1989. Emphasising outcomes-based accountability, these two acts had important repercussions for the education sector. Meanwhile, the Thatcher government in the UK pushed for a series of neo-liberal and market-driven reforms. The 1988 Education Act for England and Wales introduced a national curriculum, standardized testing and parental choice, all signposts of a new neo-liberal era in educational reform epitomizing the language of public accountability, effectiveness and market regulation. New Zealand's OBE shared features with curriculum reforms that took place in the UK, Australia, Canada, South Africa and, for a brief period, the United States.¹ Faced by widespread criticism in their own country, neo-liberal reformers made references to similar experiences in other countries. The Ministry of Education of New Zealand, for example, explicitly acknowledges the kinship of its reforms with the National Curriculum in England (established in 1988), the Australian and Canadian curriculum reforms, as well as South Africa's Curriculum 2005 and its Revised National Curriculum Statement (Ministry of Education, 2001).

The workings of the 'New Zealand model' (Dale, 2001) illustrate why OBE is commonly associated with a fundamentally new approach to curriculum reform. The *New Zealand Curriculum Framework* (implemented in 1993) places the individual student and his/her learning outcomes at the centre of teaching, and dissociates them from the content taught in a specific grade. In many countries where the New Zealand reform model was adopted, OBE requires that teachers establish benchmarks for each individual student. At the end of each grade, and in some countries throughout the year, the student's performance is regularly tested to measure whether benchmarks have been reached. In practice, the proliferation of standardised tests is but one impact of OBE reform. In addition, the benchmarks are noted in teacher scorecards, or outcomes-contracts, and teachers are held accountable for the performance of their students. Since OBE purports to measure the precise performance of a teacher as reflected in the learning outcomes of students, it has been propagated as a tool for quality enhancement in education, and aptly referred to as the New Contractualism or New Accountability. In many countries OBE was accompanied by the introduction of merit pay or bonuses for teachers who did well on teacher scorecards. Claims

have been made by proponents that OBE, as opposed to content- or input-based curricula, monitors the quality of education more effectively, and better responds to the desire for greater public accountability in education.

Explosive growth stage

During the phase of explosive growth, from the mid-1990s to the millennium, several education systems were revamped in accordance with the OBE doctrine. Surprisingly, Switzerland, notorious for its parochialism and procrastination in complying with international agreements in general, and the adoption of international trends in school reform in particular, was on the front line promoting reform imports from New Zealand in the mid-1990s. What started out as a broad public administrative reform tailored after New Zealand's New Public Management (NPM)—introducing lean and efficient management, reducing the state apparatus, abolishing the civil-servant status of teachers, and replacing tenure of civil servants with performance-based promotion and employment—soon became the guiding principle for a major outcomes-based school reform in the Canton of Zürich, Switzerland (Steiner-Khamsi, 2002). By the end of the 1990s, the radical reforms in Zürich had caught the attention of policy makers in other European countries also considering moves towards educational reforms that were more outcomes-based and market driven. The Ministry of Education of the Canton of Zürich, however, was forced—due to lack of popular support—to pursue a series of incremental quality monitoring reforms instead. Only in 2005 was the curricular aspect of OBE revitalised as a standards reform. Similar to Germany, the recent move in Switzerland towards educational standards was triggered by concerns about low and unequal student achievement demonstrated in the PISA study. Of all the outcomes-based educational reforms, the South African 'Curriculum 2005', implemented in 1998, has great appeal to comparative researchers for two reasons: one, it is an early case of OBE adoption in a development context, and two it is an example of an imported policy that has subsequently diffused throughout the region (see Chisholm, 2005). Curriculum 2005 was modelled after earlier OBE reforms of the late 1980s and early 1990s in New Zealand, England, Australia, and Canada (e.g. Jansen & Christie, 1999; Spreen, 2000).

Burnout stage and late adopters

The three Central Asian cases of late adoption—Kazakhstan, Kyrgyzstan, and Mongolia—have already been analysed in terms of selective policy borrowing (Steiner-Khamsi *et al.*, 2006). Acknowledging that each reform consists of several elements, we examined *what* exactly was borrowed from OBE models, that is, which of the elements resonated in the three national settings. The OBE package extends into reforms that affect curriculum, monitoring of teachers, student assessment, teacher salary schemes, public accountability for the quality of schools and, in some countries, school choice. For example, when I studied how Mongolian teachers perceive OBE, I found only two practices attributed to it: monitoring of teachers and

performance-based teacher salaries. Other aspects, such as student assessment reform, curriculum reform and public accountability, were so disliked that the interviewees wondered how these other aspects could possibly be associated with OBE (see Steiner-Khamsi & Stolpe, 2006). With the realisation that a reform comes across as an octopus with several arms, the question then became: which element(s) of OBE reform travelled to the different national contexts? Phrased differently, how was OBE interpreted by decision makers in Kazakhstan, Kyrgyzstan, and Mongolia? In the previous studies we drew from David Phillips's theory of policy attraction (Phillips, 2004) by raising the research question of why a particular reform—OBE—resonated in a national context (Steiner-Khamsi *et al.*, 2006; Steiner-Khamsi & Stolpe, 2006). At the same time, our comparative analyses enabled us to demonstrate that OBE was attractive for different reasons, as decision makers in each of the three national contexts emphasised different elements of OBE. In effect, we added a cultural spin to the theory of attraction by investigating what OBE meant to decision makers in each country. The culture dimension helped us to bridge the interpretive frameworks of cross-national policy attraction and selective policy borrowing.

In addition to selective policy borrowing, the Central Asian cases are also useful in analysing the timing of cross-national policy borrowing. By the time the ministries of education in Kazakhstan, Kyrgyzstan, and Mongolia joined the chorus of public accountability and choice enthusiasts, ministries and teacher unions in other parts of the world were already disenchanted with OBE and had moved on to different types of curriculum or standards reforms (see Donnelly, 2002). Incidentally, the nationwide strike of the National Union of Teachers in the UK against excessive high-stakes examinations and teaching to the test (December 2003) was concurrent with the period of greatest enthusiasm for OBE in Central Asia. The ministries of education in Kazakhstan, Kyrgyzstan and Mongolia embraced OBE during the burnout stage of the OBE reform epidemic when other education systems had already reached the point of weariness with similar market-driven and outcomes-based reforms.

The window of opportunity

One of the key questions in public policy studies is when or under what circumstances is there a receptiveness towards new (reform) ideas (Sabatier & Jenkins-Smith, 1993; Kingdon, 2003; Howlett & Ramesh, 2003)? The frequently used term 'policy window' (Kingdon, 2003, p. 165) points to the temporal dimension of policy formation, and concerns identifying the catalytic moment for policy change. In comparative education policy research we implicitly draw from a window of opportunity concept to explain the likelihood of cross-national policy borrowing. This applies especially to the 'externalisation thesis' that Jürgen Schriewer (1990) has advanced, based on Niklas Luhmann's theory of self-referential systems. Schriewer proposes studying local contexts to understand the 'socio-logic' (Schriewer & Martinez, 2004, p. 33) of externalisation. According to this theory, references to other education systems function as leverage to carry out reforms that otherwise would be contested. Schriewer and Martinez (2004) also find it indicative of the

‘socio-logic’ of a system that only specific education systems are used as external sources of authority. Which systems are used as ‘reference societies’ (Schriewer & Martinez, 2004, p. 42) and which are not, tells us something about the interrelations of actors within various world-systems. We find the externalisation thesis useful for comparative policy studies. Pursuing an analytical rather than a normative approach to the study of educational borrowing, we reach a conclusion contrary to what borrowing advocates might have us believe: borrowing does not occur because reforms from elsewhere are better, but because the very act of borrowing has a salutary effect on domestic policy conflict. Thus, there must be a window of opportunity or receptiveness towards innovation in the local context for a new reform to resonate. At such critical moments the path is prepared for ‘an idea whose time has come’ (Kingdon, 2003, p. 1).

For comparative education researchers, the question then becomes—why is it that at a particular moment (when a window of opportunity for reform opens) a reform idea is borrowed from elsewhere rather than from within the local context? Applying Schriewer’s externalisation thesis to contemporary policy studies, we found that cross-national borrowing occurs in times of protracted policy conflict. There exist by now a host of comparative studies that have adopted this line of inquiry, commonly subsumed under the label *the politics of policy borrowing* (see Steiner-Khamsi, 2004). Political reasons for cross-national policy borrowing include, for example, change of political allies (e.g. Silova, 2005; see also Nóvoa & Lawn, 2002), stakeholder replacements as a result of changes in government (Luschei, 2004), or external ‘shock’ (Phillips, 2004, p. 56). An example of external shock is the release of the PISA study in Germany, which demonstrated the below-average achievement results of German students, and soon became a vociferous public scandal in the German education system. Events such as these generate reform pressure and introduce a window of opportunity for new reform ideas to find public support.

The politics of policy borrowing debunk the commonly-held assumption that reforms are borrowed from elsewhere because they are better. The ‘lessons learned from elsewhere’ are deconstructed in ways that reveal the political agenda behind policy borrowing. As remarkable as this new area of research in comparative education has been, the political reasons for policy borrowing only capture the reality of a minority of education systems. Most education systems are dependent on external assistance or ‘aid’, creating a situation in which ‘voluntary policy transfer’ is enmeshed with ‘coercive policy transfer’ (Dolowitz & Marsh, 2000, p. 6), and the window of opportunity often concurs with the period in which grants or loans are made available for implementing specific reforms.

The economics of OBE borrowing

Two cases of late adoption—the education systems in Mongolia and the Kyrgyz Republic—serve as examples illustrating the economics of policy borrowing. Economic reasons, i.e. the loans by development banks made available for implementing OBE reform, are most important in explaining the timing for OBE import.

The outcomes-based education reform in Mongolia was part of a larger public sector reform. The *Public Sector Management and Finance Law* (PSMF), approved by the Parliament of Mongolia on 27 June 2002, advocated accountability and efficiency in governance and finance. In Mongolia, finance is the engine for any reform and not surprisingly the concept of accountability, permeating each section of the 2002 law, was linked to performance agreements and performance-based bonuses.² The PSMF reform was funded by a \$25 million loan from the Asian Development Bank (Asian Development Bank, 2003). The first loan was approved in December 1999 and the second loan of \$15.5 million targeting accountability and efficiency in health, education, social welfare, and labour was granted in October 2003. In the late 1990s New Zealand became the magnet for policy pilgrimage. Each and every member of the Mongolian Parliament and all senior-level staff of ministries were sent on study tour to New Zealand. The policy pilgrimage from Mongolia boomed at a time when critical observers had already published and widely disseminated their doubts about whether the New Zealand-style public management reforms were applicable for developing countries (Bale & Dale, 1998; Schick, 1998). Despite, or perhaps because, Mongolia was a late adopter of the new public management reform, various ministries quickly implemented it.³ In 2003, the Ministry of Education published a thick 319-page white handbook on outcomes-based education with numerous examples of student benchmarks and teacher scorecards (Ministry of Education, Culture and Science, 2003). The following year, every school had to develop outcomes contracts with the staff and adjust bonus payments according to performance (see Steiner-Khamsi & Stolpe, 2006). That same year a resolution (Government of Mongolia, 2004) minutely regulated monetary awards for good performance. The resolution requires that bonuses are only given based on output-contracts, and that—in line with the guidelines of the State Service Reform Committee—the evaluation criteria for civil servants' performance should be transparent and results-based. The performance of civil servants is evaluated and scored (grades A, B, C) by superiors, and the bonus granted depends on the score. In addition, the resolution specifies the maximum amount given for bonuses to civil servants and reminds employers that bonuses are not meant to be recurrent, but rather one-time awards given during one or more school years. In Mongolia, outcomes-based education must be regarded as one of the reform arms on the octopus 'results-based management', implemented in all public sectors to fulfill the loan agreement between the Government of Mongolia and the Asian Development Bank.

In Kyrgyzstan, the Government agreed to a \$15 million World Bank credit for implementation of the Rural Education Project. The loan agreement was signed in February, and went into effect in May 2005 (World Bank Group, 2005; see also Steiner-Khamsi *et al.*, 2006). Of all objectives of the project, 'Creating Teacher Incentives' is most closely associated with OBE reform, as illustrated by the following excerpt of subcomponents:

- Subcomponent 1: Improvement of existing school-based self-appraisal procedures for teachers and school principals through the development of model performance management arrangements which elaborate new performance criteria and include the annual appraisal of teachers and principals.

- Subcomponent 2: Development of improved national standards and criteria for performance evaluation. The new criteria will address student progress, and will improve comparability of school performance. This subcomponent also includes the development of new external verification procedures to support the existing school evaluation commissions in carrying out performance evaluation of teachers and school principals.
- Subcomponent 3: Development of a performance incentive scheme which is structured to map onto the current salary scale for teachers and principals.
- Subcomponent 4: Support for a targeted program of fellowships for new teacher graduates who agree to teach for at least three years in rural schools in subject areas with unfilled vacancies.
- Subcomponent 5: Technical assistance and training of teachers, school principals, and education administrators in implementation of the new performance management system. (World Bank Group, 2005)

The first three subcomponents, in particular, reflect the logic and language of OBE reform. My analysis of the temporal dimension of OBE does not entail an evaluation of ongoing reforms in Mongolia or in the Kyrgyz Republic. The question is not whether it is good or bad that of all available reform models OBE has been selected for import. The broader objective of the Kyrgyz project—rural school development—certainly deserves a positive comment. Of all former-Soviet Republics (Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan) and Mongolia, the Government of the Kyrgyz Republic is the first Central Asian government to treat school improvement in rural areas as a priority. The ‘long decade of neglect’ in rural school development applies not only to Mongolia (Steiner-Khamsi & Stolpe, 2005), but also to the other five Central Asian countries. It is also not surprising that of all available reform models OBE was selected, given that OBE has received an ‘international stamp of approval’ from development banks with a record of funding OBE reforms in low-income countries. The question rather is related to the timing of such reforms: Why so late, or, why not before?

Scholars in development studies such as Lynn Ilon (1994) observe that quality improvement projects such as OBE-type reforms were initiated in a number of countries to counter the adverse effects that structural adjustment policies have had on the quality of education. In Mongolia, for example, as part of structural adjustment in the educational sector, very small rural schools were shut down, the number of complete general education schools (offering all 10 or 11 grades) was reduced and only made available in urban and semi-urban areas as well as in a few rural centres. At the same time mega-schools with over 3,000 students were created to save on administrative cost and support staff in schools (Steiner-Khamsi & Stolpe, 2006). International funding was channelled into the mega-schools, semi-urban schools and regional schools at the expense of schools in remote rural areas. Due to the rapid deterioration of rural schools, administrators in rural areas faced difficulties retaining qualified teachers and attracting new ones. These structural reforms of the late 1990s aimed at curbing public expenditures for education, and preceded the quality improvement reforms that OBE promised to achieve. There is a second reason why OBE was inscribed in government regulations only in 2003 (Mongolia) or, respectively, pursued in a project only in 2003 (Kyrgyz Republic): the funding of development banks was only at that time made available.

In low-income countries, the ‘time has come for an idea’ (Kingdon, 2003, p. 1) when international funding for implementing that particular reform (idea) is secured. It is important to bear in mind that international funding is earmarked for specific sector strategies and projects. This means in the case of the Central Asian countries that international funding was only made available *if* OBE-type reform was systematically pursued.

The first-world bias in policy borrowing research

Emphasising the economic rationale for policy borrowing is not as trivial as it might at first appear. The absence of the economic dimension is striking in comparative education research, as well as other research fields that deal with policy borrowing. Comparative education researchers are not alone in studying cross-national policy transfer or borrowing. There is a proliferation of publications in comparative politics and public policy studies that deal with inter-state transaction or policy transfer, respectively. For example, David Dolowitz and David Marsh observe for the broader field of public policy studies that:

an increasing amount of policy development, and particularly policy change in contemporary politics is affected by policy transfer. (Dolowitz & Marsh, 2000, p. 14)

They conclude:

when we are analyzing policy change we always need to ask the question: is policy transfer involved? (p. 14)

Similar to comparative education research, scholars in public policy studies and comparative politics tend to neglect the economics of policy transfer, and instead emphasise cultural, social and political factors. For example, Sharon Werning Rivera (2004) in her fascinating study of Russian élites investigates one of the core issues in borrowing research: Which countries serve as exemplars of emulation, as reference societies from which lessons are learned? She offers three choices—comparability (geographical, historical or cultural proximity), prestige (geo-strategic prominence of a country) and performance (country that excels economically and politically). What is conspicuously missing from her analysis are economic considerations, that is, countries that are actively involved as ‘donors’, and engage in external financial assistance. Bennett (1991) provides one of the best—albeit dated—literature reviews on policy transfer research. Similar to Werning Rivera’s study, Bennett’s review excludes studies that deal with policy transfer in the development or dependency context.

In the best case scenario, loans for a project signed off by international financial institutions such as the World Bank or regional development banks are accompanied by the lending of reform ideas (Jones, 2004). More frequently they come with the wholesale transfer of a comprehensive reform package formulated by the lender. Examining the ‘donor logic’ (Steiner-Khamsi & Stolpe, 2006, p. 73ff.) is key to understanding the economics of policy borrowing. Whereas the donor logic of the development banks is finance-driven, the logic of bilateral aid agencies is self-referential in a

different way. They selectively export ‘best practices’ from their own education systems, supposedly missing or ‘underdeveloped’ in low-income countries. Over 20 years ago Brian Holmes (1981) astutely observed how country-specific preferences determine policy export. Writing during the era of the Cold War, Holmes found that, regardless of circumstances, British and American experts almost always favoured the introduction of a decentralised system of educational administration, whereas Soviet and German Democratic Republic experts always recommended the introduction of polytechnical education in the countries they advised. The list of donor-specific preferences in educational export is too long to present here. A brief mention of the world’s largest bilateral donor in educational development, the Government of Japan, serves as a case in point, illustrating the logic of bilateral donors.

Until the 1990s, the Government of Japan was, for a variety of reasons (see King & McGrath, 2004), unique in refraining from imposing Japanese conceptions of good education on countries to which they gave loans or grants. Instead it engaged in more culturally neutral, ‘hard’-type aid (construction of schools, purchase of technological equipment, etc.), a focus that came under serious attack for its disregard of international agreements to direct all investments to the improvement of the quality of basic education. Under international pressure, the Government of Japan was forced to find a niche in educational export. The high scores of Japanese students in the league tables of the Third International Mathematics and Science Study (TIMSS and TIMSS-R) were used as a justification to convince Japanese government officials of the need to get involved in ‘soft’-type aid, that is, improving the quality of education in loan or grant-recipient countries. With the move from hard to soft-type aid, the Government of Japan has positioned itself—in the international competition over nation-specific ‘best practices’—as an ardent disseminator of Japanese ‘lesson study’ in mathematics and science education around the globe. In line with international agreements, specifically with Education for All (1990) and the Millennium Development Goals (2000), the Government of Japan now focuses on basic education mostly in Africa, but also in its traditional target region (Southeast Asia) as well as in Latin America. Starting in 2001, the Japan International Cooperation Agency (JICA) has actively promoted ‘knowledge-sharing’ among practitioners in mathematics and science education in the form of Japanese lesson study (Nagao, 2004, p. 54ff.; see also Sawamura, 2002). In a lesson study, the teachers engage in show lessons that are subsequently evaluated and reviewed by peers. This method is being increasingly exported to countries that receive loans or grants from the Government of Japan. The Japanese methods used in lesson study also strengthen peer training, mentoring and support at the school level. My critique is therefore not at all directed against Japanese lesson study *per se*, but against the limited choice that is given to governments of low-income countries that depend on loans or grants from international donors. An investigation of donor logic brings forth the type of ‘best practices’ that are imported in aid-dependent Third World countries.

Scholars in policy transfer research tend to draw from education systems in the First World to make generalisations on policy borrowing and lending in the rest of the world. As mentioned earlier, this bias might be understood as a legacy from the past, when

comparative education researchers predominantly analysed interactions across the Atlantic or within European states. To be fair, researchers in development studies, in turn, tend to neglect policy borrowing and lending research altogether for their object of study. Too often, policy transfer is framed in terms of coercion and imposition with little critical analysis of why and how decision-makers in Third-World countries actively borrow reforms, both for political and economic reasons, from elsewhere.

Notes

1. OBE was discussed in the United States for a brief period in the late 1980s, but was replaced by Goals 2000 in most states, a standards-based approach to curriculum reform issued by the Federal Government in 1994. However, the 2001 No Child Left Behind Act (NCLB) triggered a renewed interest in outcomes-based accountability or 'new accountability', a term coined by researchers affiliated with the Consortium for Policy Research in Education (Fuhrman, 1999). See Jennifer O'Day's critique of the 'outcomes-based bureaucratic model of school accountability' (O'Day, 2002, p. 294), which she finds re-emerging in federal legislation in general, and the NCLB Act in particular.
2. Article 47 deals with 'Assessment of Performance Agreement' and Article 49 with 'Payment of Performance Bonuses to Employees' (Parliament of Mongolia, 2002).
3. The greatest delay occurred at the parliamentary level. The first draft for the Public Sector Management and Finance Law was submitted in 1997 (see Lanking, 2004), but only approved in 2002. Once it was approved, the ministries were eager to adopt it, with the financial support of ADB, to their sector.

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