

# Decentralization and recentralization reform in Mongolia: tracing the swing of the pendulum

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For the past 10 years the Ministry of Education of Mongolia has periodically oscillated between decentralization and recentralization policies. On paper, it has consistently and enthusiastically subscribed to decentralization, but in practice has given these policies low priority. This study attempts to explain the discrepancies between policy talk and actual implementation. Methodologically, the authors investigate local policy contexts and examine how international interventions such as decentralization policies are locally reinterpreted or 'Mongolized'. The study examines several areas where cultural legacies from the socialist past have clashed with the expectations of international donors. Theoretically, the Mongolian fiasco of decentralization reform lends itself as a case to address issues that have been raised both in comparative research on 'transitology' and on cross-national policy borrowing.

## Exploring the economics of borrowing and the socio-logic of chaos

Borrowing educational reform models from elsewhere has a longstanding tradition in Mongolia. During the Soviet era, imported governance and finance models were highly centralized and in the post-Soviet era they have been, at least on paper, decentralized. Mongolian government officials think of borrowing in the literal sense, and their 'attraction' to other educational systems (Ochs & Phillips, 2002) and willingness to 'learn from elsewhere' (Phillips, 2002) are frequently rewarded with ample financial support from abroad. At first sight, it appears that the Mongolian government has periodically used decentralization as a 'flag of convenience' (Lynch, 1998, pp. 24ff.) to secure international funding. Once policies were borrowed from elsewhere and funding was approved to implement them locally, projects sailed under different objectives. On closer examination, the economics of policy borrowing only explains why borrowing occurred in the first place, but it falls short of explaining how and why imported policies were locally reinterpreted. We assume that there is a particular Mongolian 'socio-logic' to the discrepancy between what was borrowed from elsewhere and what was subsequently implemented locally (Schriewer *et al.*, 1998, pp. 167ff.; see also Schriewer, 2000; Steiner-Khamsi, 2002).

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Therefore, both approaches to studying policy borrowing—Phillips' theory of cross-national attraction and Schriewer's theory of local reinterpretation and appropriation of external influences—constitute important interpretive frameworks for examining the Mongolian decentralization fiasco, that is, the oscillation between decentralization and recentralization policies.

The focus of this study—decentralization and recentralization reforms in Mongolia in the 1990s—has been deliberately chosen to address an area of reform that has been widely discussed in comparative education and international educational development. Many international comparative researchers have highlighted the international pressure on governments to decentralize the education sector. Carnoy, for example, analyses the impact of globalization on educational reform strategies, and identifies decentralization as one of the key features of 'competitiveness-driven reforms' (Carnoy, 1999, pp. 38ff.; see also Carnoy & Rhoten, 2002). There is no doubt that decentralization policies figure as one of the policy 'epidemics' of the 1990s (Levin, 1998). The fact that the decentralization epidemic has rapidly spread to every corner of the world has raised serious concerns regarding the transferability of decentralization policies and experiences from one cultural context to another. It is not surprising that several comparative researchers have critically commented on this global trend. Tatto (1999), for example, writes:

Much speculation has evolved around whether a decentralized system of education (of which the United States of America is an extreme example) can achieve the level of coherence to implement changes required by current reforms. Scholars studying educational change in other countries argue that in some contexts, clearly defined hierarchies and more centralized structures may be more effective in bringing about successful reform. (pp. 254–255)

In our case study, we do not attempt to evaluate which kind of structure, centralized or decentralized, would have been more effective for accelerating educational reform in Mongolia. Rather, we focus on why and how the decentralization policy, externally induced in the early 1990s, has been locally interpreted and modified in the remaining years of the decade. The fluctuation of Mongolian decentralization and recentralization policies in the 1990s illustrates a fascinating, and in fact very common, aspect of policies that are transferred from one context to another. Specifically, it demonstrates how, more often than not, educational policies are only borrowed or imported at a discursive level with little or limited impact on educational practice.

In addition, the Mongolian decentralization fiasco might be seen as a typical case of education reform in times of transition. The relation between educational reform and political-economic changes has recently drawn considerable attention from scholars in comparative education (Cowen, 1996, 1997, 1999; see also Coulby *et al.*, 2000; Griffin, 2002). Cowen's important work on 'transitology' has inspired us to scratch the surface of what is perceived as chaos in countries of transition. Upon closer examination, the Mongolian case supports Cowen's assertion that linear comparative frameworks for interpreting developments in countries of transition are of limited value (Cowen, 1999). Thus, that the Mongolian reform developments

between 1992 and 2002, for example, come across as chaotic, has perhaps more to do with the linearity of our interpretations than with actual reality. In this study we examine the local reactions to (imposed) external intervention and search for social patterns that would enable us to identify a socio-logic of local resistance to externally induced policy changes.

Methodologically, this case study focuses on how international interventions in Mongolia, that is, the externally induced decentralization reforms, were locally adapted. Drawing more attention to how Mongolian experts, government officials and stakeholders explain and justify the fiasco over decentralization helps us to understand the idiosyncrasies of the Mongolian context. There is no doubt that 70 years of socialism (1921–1990) have left their mark on what individuals and institutions both perceive and believe, and how they operate in contemporary Mongolian society. Socialism has shaped Mongolian culture as much as Mongolian culture has shaped socialism. Bearing in mind the Mongolian version of socialist culture, we attempt to identify several cultural legacies from the socialist past that have endured to the present. For example, government officials often refer to the need for ‘efficient’ and ‘effective’ reform implementation. What they mean, however, is quite the opposite of what their international donors have in mind. In the government’s view, only a centrally planned reform with (centrally located) ‘strong hands’ and ‘vigilant eyes’ is capable of implementing internationally funded projects.

### **Socialist influence and assistance in Mongolia: a brief overview**

Mongolia’s dependence on external assistance was painfully felt when the Soviet Union and with it the Council for Mutual Economic Assistance collapsed, leaving the country without any external subsidies. The dissolution of ‘internationalist assistance’ from ‘fraternal socialist countries’ led to a major economic crisis, with a horrendous inflation rate pushing the population to the verge of a hunger crisis. In the period 1990–1992, real wages in industry dropped by one-fifth, and in agriculture by one-third. According to the *Human development report* (United Nations Development Programme, 2000, p. 29), the withdrawal of Soviet assistance meant a reduction of 30% of the gross domestic product (GDP) in the late 1980s. As a response to the crisis, the government made severe cuts in public expenditures by reducing social services and by either shutting down or privatizing state-owned industries.

Until 1990, the beginning of the transformation process, the Mongolian education system was widely acknowledged for providing universal access for a population that was both dispersed and mobile (nomadic pastoralists). By the end of the 1980s, the adult literacy rate was, according to official statistics, 99%. Apart from a brief time period in the 1930s and 1940s, when educational finance was to some degree decentralized, universal access to education rested on a strongly centralized structure of educational governance and finance. As with other socialist countries, the socialist government of Mongolia publicly displayed universal employment as well as universal access to education and health services as the most visible signposts of a society that, according to the four developmental stages of Marxism–Leninism, left

the dark ages of feudalism behind, liberated itself from capitalism, embraced socialism and was gradually moving towards communism.<sup>1</sup> As the following brief overview will illustrate, central control was key to establishing a secular and socialist educational system.

In pre-revolutionary Mongolia (before 1921), the majority of the population practised a nomadic lifestyle as herders. It was customary to enrol at least one son in a monastery school, where they were taught Mongolian and Tibetan script, Buddhist sciences and a craft. Apart from monastic education, there existed only a few secular schools that were established by the Manchurian occupying power, and tailored according to the colonial tradition of civil servants' education. With autonomy from the Manchu Empire, the first central institution for education and culture was established in 1911. The 'Mongolian Innovation Authority'<sup>2</sup> was put in charge of modernizing the country by means of educating all citizens, including women and the poor (Shagdar, 2000).

The revolution of 1921 resulted in an orientation towards the Soviet Union and, as a corollary, in a separation between religion (Tibetan Buddhism) and the state. The new constitution subscribed to the right of education for all, and the newly founded Ministry of Popular Education (established in 1924) implemented the separation between monastic education and state education. Monastic education, however, remained popular and the imbalance between the two educational systems was considerable. By the end of the 1920s only about 1000 children were enrolled in state schools, as opposed to almost 19,000 attending monastic schools (Schöne, 1973). For more than 10 years the two school systems existed side by side. The situation changed dramatically when the Mongolian government, under the influence of Stalinist politics, embarked on an anti-clerical campaign that persecuted and removed religious and intellectual leaders from all influential positions. Monastic education was declared forbidden by law, and monasteries were either closed down or destroyed. With the main provider eliminated, the government faced the challenge of raising additional funds for an educational system that was in need of expansion. The attempt to resolve the lack of central funding by decentralizing educational finance clearly had a negative impact on school enrolment. The government was prepared to pay for textbooks and teacher education, provided that the communities took financial charge of the school and dormitory buildings. Because of the lack of local funds, there was a shortage of dormitories (geared towards children of herders), and schools, notorious for being a health hazard for children, were seriously under-heated and in poor hygienic condition. By the school year 1940–41 only 10% of all school-aged children were attending school (Uhlig, 1989).

The struggle to finance education adequately only ended in the 1950s when the Soviet Union extended its assistance to Mongolia. There were two developments in particular that supported the implementation of the Compulsory Education Act, enacted in the school year 1956–57 and strictly enforced in the following decades. First, the organization of animal husbandry into district-level collectives (*negdel*) strengthened the infrastructure in the rural districts (*sums*). As administrative units, each rural district hosting a collective eventually flourished not only as a centre of production and trade, but also as one for health and education services. Second, the

organization of labour within a collective ensured a division of labour by means of species specialization and regular monthly salaries for herders, thus enabling herder families to release their children from labour and enrolling them in school. Kratli (2001) points out that

[T]he fact that the organization of labour, provision of education, and enforcement of laws on compulsory attendance were all under the control of the same authority, is likely to have been at least as influential [as the collectives]. (p. 60)

Several centrally planned political campaigns and government initiatives that targeted the implementation of universal education deserve special mention. The (vertical) Mongolian script was replaced first by Latin letters and finally, in 1942, by the Cyrillic alphabet. The centrally organized campaigns against illiteracy of the 1950s and 1960s included elements of formal and non-formal education, and advocated, in addition, informal education in the form of an adoption or mentor model: each literate citizen was morally pressured to 'adopt' at least two illiterates, teaching them to read and write in the new Mongolian (Cyrillic) script.

The educational system experienced a massive expansion in the 1970s. By the beginning of the 1970s, 593 schools were in operation, accommodating 239,600 students (Sandhaasüren & Shernossek, 1981). The Council for Mutual Economic Assistance, composed of other socialist countries, funded 180 schools and 161 dormitories during the period between 1970 and 1977. As with other socialist educational systems, the school entrance age was relatively late (age 8) and the duration of formal school relatively short (10 years). This particular feature of the system (established in 1982) was abolished 20 years later. As of 2002 children were permitted to enrol before the age of 8, and formal schooling was gradually extended to 12 years.

At the beginning of the transition period in 1990, the literacy rate was universal, about 40% had completed middle school and approximately 15% graduated from higher education institutions (Government of Mongolia & United Nations Development Programme, 1997).

### **Learning to speak a new policy language**

In the 1990s, despite the tremendous cutbacks in external assistance, spending on education remained significant. According to the *Mongolia public expenditure and financial management review* of the World Bank (World Bank, 2002, p. 128), 5.7% of the gross national product (GNP) in 1997 was spent on education. In comparison, education expenditures in other low-income countries average 3.7% of GNP (in countries of the Organization for Economic Cooperation and Development: 5.0%). It is important to bear in mind that universal education in Mongolia is relatively expensive owing to harsh weather conditions and a very sparse and dispersed population. In addition, one-third of the population (total: 2.4 million) are herders or nomadic pastoralists. Furthermore, there is a large percentage of school-aged children and youth. Residents under the age of 19 constitute 46% of the total population (United Nations International Children's Emergency Fund [UNICEF],

2000, p. 7). Heating and electricity costs absorb slightly more than 20% of the education budget (World Bank, 2002, p. 131), leaving few financial resources for maintaining or rehabilitating school buildings (only 2.5% of the budget is set aside for education investment expenditures) or purchasing books or teaching supplies (less than 1% of the school budget).

Incidentally, the economic crisis began after internationalist (socialist) assistance completely dried up and lasted until a new alliance for international assistance was formed. After 1992, the Mongolian government reoriented itself towards a new international community composed of free-market economies. Although the funding by international donors and loan agencies soon replaced internationalist (socialist) assistance at a level of 17.15% of the GDP in 2000, external assistance in the 1990s was less directed at supporting the social sector. In 2000, most external assistance funds were disbursed for infrastructure (37%) and economic reform (23.8%); only 15.5% were used for the social sector including education, social insurance and health (Steiner-Khamsi & Nguyen, 2001; see also World Bank, 2002). In addition, approximately 30% was used for international technical assistance—a proportion that is surprisingly not unusual in international cooperation (McGinn, 1996)—benefiting mostly international consultants and senior ministerial staff. The Asian Development Bank (ADB), the Japanese International Cooperation Agency, the Soros Foundation (Mongolian Foundation for Open Society) and the Danish International Development Assistance (DANIDA) have been, thus far, the most significant contributors to education sector reform in Mongolia. The United Nations organizations, specifically the United Nations Educational, Scientific, and Cultural Organization and UNICEF, have contributed less on budget, but have been influential at the governmental level.

Naturally, this reorientation has greatly impacted on the kinds of educational policies that have been borrowed in the last 10 years. It is appropriate to conceive of these changes as a reconfiguration of ‘educational space’.<sup>3</sup> By necessity, the Government of Mongolia abandoned the Soviet ‘internationalist’ educational space, and has signalled its most recent location in the new ‘international’ educational space by speaking the policy language of the new allies, and receiving or borrowing money from them.<sup>4</sup> International donors, in particular the ADB, declared decentralization of educational governance and finance as one of the top priorities of the new educational reform in Mongolia. They have tended to regard this particular area of reform, perhaps more than any other area of education sector reform, as a signpost of democracy that radically breaks with socialist notions of educational governance and finance.

Holmes’s poignant 1981 observation reminds us that decentralization has been a recurring theme among First World donor organizations. Holmes asserts that, regardless of circumstances, British and American experts have almost always favoured the introduction of a decentralized system of educational administration, whereas Soviet and German Democratic Republic experts have always recommended the introduction of polytechnical education in the countries that they have advised (Holmes, 1981). Wray (1991), discussing US governmental and military control in Japan under the Allied Forces from 1945 to 1952, notes that

‘[T]raditionally, for Americans, decentralization equals democracy; democracy equals decentralization’ (p. 451).

With the collapse of the Second World, the decentralization of governance and the strengthening of civil society have become high priorities for international donors operating in post-socialist countries. The ‘Mongolia Human Resource Development and Education Reform Project’ (which was the foundation for the well-known Master Plan in Mongolia) was the first comprehensive review of the Mongolian education sector in the post-socialist period (Ministry of Science and Education of Mongolia [MOSE] & Asian Development Bank [ADB], 1993). It was conducted by international experts, including experts in education policy studies from the University of Pittsburgh, and was funded by the ADB. Not surprisingly, the educational sector review of 1993 offers decentralization of governance and finance as a panacea for everything that went wrong during socialist times: the lack of quality, efficiency and cost-effectiveness, and the dependence on external subsidies for funding the costly education sector.

From a broader international perspective, we concur with Samoff (1999) that the education sector studies developed in the early 1990s are strikingly similar. Accordingly, the general framework, approach and methodology that Samoff identified for education sector analyses conducted in African countries also apply to education sector studies in Mongolia. The general crisis tone in Mongolian education sector studies when ‘diagnosing the problem’, and the prescriptions for remedying ‘the problems’ resemble, to a great extent, what Samoff summarized for education sector analyses on the African continent. Samoff observed that the diagnostic section of education sector studies often finds that the country is ‘in crisis’ (Samoff, 1999), and that ‘[...] the government cannot cope, quality has deteriorated, funds are misallocated, management is poor and administration inefficient’ (p. 250). The prescriptive section of sector reviews, in turn, tends to recommend the following (Samoff, 1999):

reduce the central government’s role in providing education; decentralize; increase school fees; encourage and assist private schools; reduce direct support to students, especially at tertiary level; introduce double shifts and multi-grade classrooms; assign high priority to instructional materials; favor in-service over pre-service teacher education. (p. 250)

The Mongolian education sector reviews no doubt incorporated data and educational statistics from Mongolia, but overall they were quite similar to what other scholars had identified for sector reviews in other parts of the world with regard to their framework, approach and methodology (e.g. Samoff, 1999; Bray & Borevskaya, 2001). What began in Mongolia as a presentation of possible solutions in 1993, albeit tainted by an international agenda that sought external assistance, was soon prescribed as a condition for international loans and grants.

The Ministry of Education<sup>5</sup> was quick to adopt the new language of the allies by embracing the new policy agenda and pursuing, at least on paper, decentralization reform. After 10 years of international pressure to decentralize the Mongolian education sector, it appears timely to review how an imported educational reform—decentralization of educational governance and finance—has been ‘Mongolized’.

**At the end of a long road: recentralization**

In our investigation of the decentralization measures between 1992 and 2002 presented in the next section, we found no signs that the devolution of decision-making authority from the central to the provincial, district or institutional levels has actually occurred.<sup>6</sup> Since 1992, as the government has become exposed to extensive international pressure to decentralize its governance and finance in all of its sectors (including education), the Mongolian Ministry of Education has repeatedly changed its views and policies on decentralization. As of 2002 the pendulum has swung in the direction of recentralization. On 3 May 2002, the Parliament of Mongolia passed a new educational law, which informed observers refer to as the Recentralization Law in Education.

Interestingly, these policy swings occur periodically. In times of heightened international pressure—usually in periods preceding either an appraisal for or an agreement on a new loan—the Ministry of Education has subscribed to a comprehensive decentralization programme. Upon approval of international cooperation projects, however, the Ministry of Education has shifted its emphasis and has retained its strongly centralized system of planning, monitoring and governance.

Nevertheless, the Ministry of Education has, on paper, committed itself in each of its education sector reviews (starting in 1993) and its two long-term sector development strategies (currently 2000–2005) to decentralization. As a corollary, the international donor community—either in good faith or with an interest in increasing its own cooperation portfolio—has committed itself financially to support these ministerial endeavours. Heavy-handedly, the Ministry of Education has implemented a series of educational reforms which, with the exception of the core demand of the international donors (notably the ADB), namely to decentralize, were pursued with great rigour and enthusiasm. The international donors, in turn, generously funded decentralization measures and in fact, in each evaluation report, have highlighted the need to pour more resources into decentralization so that it can ultimately work in practice (Ministry of Science, Technology, Education and Culture [MOSTEC] & Asian Development Bank [ADB], 2001; see also World Bank, 2002, for decentralization in other sectors). When reading these numerous reports, reviews and cooperation agreements that have accumulated over the past few years, one is struck by the fact that the international donors continue to demand more of the same reforms without considering why previous attempts have failed. The reactions of the two political camps to decentralize—the current Mongolian People's Revolutionary Party (MPRP) Government and the previous government composed of parties belonging to the Democratic Union—have ranged from scepticism to outright rejection, especially when it comes to discussing the issue of decentralization in public. For a long time the government's resistance was concealed, but with the recent 2002 Education Law it has been made increasingly overt and publicized.

In our account of the decentralization fiasco in Mongolia, we highlight two reform areas that are explicitly listed in the Education Law of May 2002 (Ministry of Education, Culture and Science, 2002): the reform of governance and finance of education. The 2002 Education Law (paragraphs 35 and 36) introduced recentralization measures by abolishing school boards that had decision-making power

(including hiring and firing of principals) and replacing them with school councils with purely administrative functions. Beginning in 2002, these councils have been reduced to a consultative status. As a result, the *sum* (district) governors and *aimag* (provincial) governors, that is, state and party representatives, are put back in charge of regulating school matters. Furthermore, the 2002 Education Law confirmed the 'single treasury' measure (paragraph 39), which promises to reduce corruption by centrally appointing an accountant for each province to oversee the financial affairs for all sectors. By dissolving the separate accounts for each sector (and various accounts within each sector), the single treasury measure enables the central government to exert more control over public expenditures, and restricts the ability of district and provincial governments to determine how to spend the centrally allocated budget. Although the single treasury measure had already been added to the previous 1995 Education Law four years earlier (Gegeerliin yaam, 1998, paragraph 34), it was neither rigorously pursued nor implemented until 2002.

The 2002 Education Law drove a thick nail through the coffin of the decentralization policy. It was issued at the end of a long road paved with diamonds: two large loans from the ADB and numerous projects funded by international organizations, over a period of 10 years, to make the Ministry of Education decentralize the governance and finance of education. The 2002 Education Law was put in effect at a time of relative ease, that is, seven months after a large loan from the ADB was secured.

### **The decentralization fiasco of the 1990s**

In an attempt to understand why the Ministry of Education overturned several decentralization measures in 2002, we explored several reform measures in the 1990s that were publicly criticized in Mongolia. We selected four examples. Two of them—rationalization of educational structures and private sector involvement—have been officially labelled as 'successful' decentralization measures. In contrast, the other two areas presented in this section—decentralization of governance and decentralization of finance—were recognized by the Ministry of Education as having limited success at the implementation level, and were labelled as measures that are 'in need of improvement'. Publicly, however, all four of them have been highly contested.

Before describing the four examples, which intentionally represent a wide range of attempts to decentralize, it is necessary to consider the tremendous international pressure to adopt a decentralization policy, at least on paper. For more than a decade, the Mongolian government has been put under external pressure to find ways to make educational governance and financial management more efficient, while at the same time reduce expenditures and increase revenues in education. It is not surprising that these issues have emerged as recurring themes in all major sector reviews and development programmes since 1993. The education sector review of 1993 (MOSE & ADB, 1993) was followed by periodic reviews by ADB experts. They conducted comprehensive needs assessment studies, appraised

educational development programme costs and submitted the programmes for approval by their headquarters in Manila and the government in Ulaanbaatar. So far, two large loans have been granted by the ADB, and a third loan is at the appraisal and approval stage. The first ADB loan of US \$15.5 million was approved in 1996 and funded the first Education Sector Development Programme (ESDP); the Second Education Development Project was financed with an ADB loan of US \$14 million and an additional government commitment of US \$3.5 million.

The introductory section of the *Mongolia education sector strategy 2000–2005* summarizes the intentions pursued by the ESDP (Ministry of Science, Technology, Education and Culture [MOSTEC], 2000):

The intention of the ESDP [first Education Sector Development Programme] was to:

- Strengthen education management capabilities at central, local and institutional levels
- Improve co-ordination of management and academic development in higher education, and
- Upgrade quality and relevance in educational content at the upper secondary and higher education levels. (p. 2)

In the same section, the main objectives are identified as follows:

The [ESDP] policy programme included measures to:

- Rationalize education structures and staffing
- Promote cost recovery schemes
- Support privatization and private provision of education, and
- Develop a comprehensive policy framework for technical education and vocational training. (p. 2)

*Label 'successful': the rationalization of education structures and private sector involvement*

Of all the programme components, two areas of the ESDP remain the most controversial and heatedly debated in the media: the rationalization of education structures and staffing, and the support for private sector involvement. Whereas the Ministry of Education and the ADB enthusiastically propelled these reforms, labelled their implementation as 'successful' and elevated them to benchmarks for a new, general financial decentralization policy, both the media and many Mongolian education experts and practitioners first expressed scepticism, and later opposition and outright rejection. In some respects, these two measures were seen as part of the same decentralization policy package: on the one hand, they forced the government to reduce or 'rationalize' its state apparatus along with its educational institutions; on the other, they allowed for the establishment of non-state or privately run educational institutions.

The rationalization of education structures and staffing was implemented in 1997. Among other measures to accomplish this objective of the ESDP, the Ministry of Education fired more than 8000 school staff and merged smaller schools that were located in *aimag* (province) centres into larger 'complex schools'. The rationalization given for staffing was a shock, making the public painfully aware that the language

of the new allies was one of structural adjustment. As a result, the Ministry of Education was chastised for bending under international pressure and enacting such harsh measures. The teachers union responded with a strike in May 1997, publicly criticizing the Ministry of Education for not having included teachers and practitioners in the development of the sector programme (Stolpe, 2001, p. 72). During a press conference, the Minister of Education acknowledged the lack of teacher support for the education sector reform, observing that 'Teachers don't trust us!' (Mongolian Minister for Education, 1997, p. 1). He also blamed the principals for the lack of information dissemination between teachers and the Ministry of Education.

The newly established complex schools, both in the province centres and in Ulaanbaatar, offer all grades (1–10) and host a large number of students (over 1000). In Mongolia they are known as the 'ADB schools' because they received generous funds from the ADB to equip their laboratories, computer rooms and libraries (see Ministry of Education, Culture and Science [MOECS] & Asian Development Bank [ADB], 2001, pp. 60ff.). They were able to do so at the expense of all surrounding schools. The establishment of well-equipped complex schools in the *aimag*-centres has generated a two-tiered education system: 40 'rich schools' (ADB schools) and more than 500 'poor schools'.<sup>7</sup>

Findings from the 2000 census data (National Statistical Office of Mongolia, 2001) highlight the magnitude of the internal migration process, whereby families move from rural areas to province centres, from the provinces to the central provinces, and ultimately to Ulaanbaatar. There are several factors that account for the huge internal migration movements in the 1990s, including the lack of a cash economy, poor standards of living and the loss of social infrastructure in rural areas. However, the impact of unequal school provisions, in particular the role of the newly established complex schools as a pull-factor for internal migration, has been seriously understudied. With a lack of funding for restoring rural schools, many *sum* (district-centre) and *bag* (village) schools are either seriously under-heated or periodically closed during the cold winter months. School-related internal migration is a great concern among teachers. Mongolian parents, including herder families, are literate, education-minded and mobile. Interviews revealed that herder families (one-third of the total population) increasingly remove their children from rural schools and enrol them in 'healthier' province-centre schools. In addition, seasonal school-related migration seems to be on the rise with parents enrolling their children from October through March in *aimag*-centre schools (Steiner-Khamsi & Nguyen, 2001, pp. 23ff.).

Furthermore, the Ministry of Education and the ADB identified private sector involvement, in particular in higher education, as another 'successful area' of reform. Mongolia witnessed a boom in private colleges and universities. In the academic year 1995–96, every fifth student was enrolled in a private institution of higher education ( $n = 8930$ ). In the next five years, the proportion increased dramatically, so that in 2000–01, every third student studied at a private college or university ( $n = 28,064$ ). It is important to mention that the Ministry of Education does not only actively support private sector involvement in education; it also

ensures, for example, that public higher education is less attractive by imposing annual tuition fees for public higher education that are approximately the same (amounting to eight monthly salaries of a teacher) as at private colleges and universities (Steiner-Khamsi & Nguyen, 2001). It is important to bear in mind that the private sector involvement in tertiary education was only considered 'successful' from a governmental and macro-economic perspective. It created many problems that are heatedly discussed in the media, such as the overall decrease of the quality of education in colleges and universities, unequal admission procedures, fraud in awarding degrees and titles, and financial hardship for families.

*Label 'in need of improvement': decentralization of governance and finance*

In opposition to the two previously discussed structural adjustment measures, deemed 'successful' by the Ministry of Education and the ADB, the Ministry of Education and the ADB themselves have also identified other areas as challenges and 'in need of improvement', most prominently the decentralization of governance. As previously mentioned, it remains an enigma why government and international donors alike continue to acknowledge the failed attempts to decentralize governance while periodically calling for greater attention and more resources to make it work in subsequent reform programmes. The insistence on making something work, even though it has failed continuously over the past 10 years, has been so striking that we found it necessary that it be made the object of closer scrutiny.

Accordingly, the *Final report* on the ESDP (MOSTEC & ADB, 2001) mentions that the first ESDP was only able to provide 'limited general management training' at *aimag* (province), *sum* (district) and school levels. It emphasizes the need to maintain the following programme objective and improve its implementation in the next sector loan programme (MOSTEC & ADB, 2001): 'With greater decentralization of responsibilities, management capacity building is required' (p. 25). The *Final report* asserts in the same section that

[A]ttention needs to be paid to participation at *aimag* (province) and school level in planning projects and in their implementation. At present the education sector projects are very much top-down, with decisions being made at central level. *Aimags* have plenty of experience in managing and implementing projects in the health sector, but none in the education sector. (p. 25)

The assertion that only 'limited general management training' was provided during the ESDP is not accurate. Contrary to what the *Final report* asserts, there existed a series of capacity-building initiatives to prepare administrators at different levels for educational management in a decentralized system. Among others, a solid Masters degree programme for educational administration had been developed in 1998, which intended to professionalize the tasks of management and finance in education (Spaulding *et al.*, 1999; see also MOECS & ADB, 2001, pp. 35ff., 54ff.). Thus, both in-service and initial training were implemented, but they were not effective and sustainable because most of the trainees were, for political reasons, subsequently replaced. The problem was not so much that these initiatives had been 'limited'

(MOSTEC & ADB, 2001, p. 25), but rather that the Ministry of Education did not seek, and probably would not have obtained political and public support for changing, the legal foundation of education administration. Only a change of the Education Law would have enabled the trainees to continue with their work despite changes in government. To date, there have been three opportunities to do so, all of which emerged when major revisions were made to the 1991 Education Law. They include the 1995 Education Law, the 1998 Amendments to the 1995 Education Law and the 2002 Education Law. Given the existing legal framework, Mongolian educators know all too well that the route to becoming an administrator is a political one and not one that passes through professional qualification or degree programmes.

Education administrators in Mongolia are regarded as extensions of the state and the party in power. As with many other post-socialist educational systems, schools in Mongolia are regarded as state rather than public institutions. As a corollary, education authorities at the central and provincial levels (referred to as directors of the provincial Education and Culture Centres, ECC) and principals are appointed or elected representatives of the government. In the 1990s, the country experienced several government changes and two fundamental changes in political orientation (from MPRP to Democratic Union and then back to MPRP), thereby replacing, both in 1996 and in 2000, all mid-career and senior-level administrative staff working in provincial ECCs, district centres and schools. The *Mongolia public expenditure and financial management review* estimates that, across sectors, the turnover of human resources exceeds 9% in election years (World Bank, 2002, p. iv).

Numerous international organizations have invested in the promotion of education administration as a profession rather than as a political mandate, with the hope that such a move would depoliticize the governance of education, build local capacity and ensure sustainability of their donations/loans. DANIDA was the first to train all ECC directors, ECC methodologists and school principals; subsequently, when that cohort lost their positions after the next election, the ADB embarked upon a comprehensive training of the newly appointed ECC directors, principals and assistant principals. Again, it is a cultural clash over definitions of education administration—for the government clearly a political mandate, and for international donors a profession—rather than the availability of ‘limited general management training’ (MOSTEC & ADB, 2001, p. 25) that accounts for the lack of decentralization.

In early 2002, experts in Mongolia undertook a renewed attempt to change the law regarding school boards and increase the number of non-partisan community representatives (teachers, parents and students). The 2002 Education Law (paragraphs 35 and 36) indeed increased the representation of non-partisan community members, but at the same time downgraded them to school councils, where they had recommendation rather than decision-making authority. As part of the recentralization policy, the 2002 Education Law enhanced the decision-making authority of government officials both at the *aimag* province (‘*aimag* governors’) and district levels (‘*sum* governors’).

The decentralization of finance is another area in which the Ministry of Education and the ADB have signalled limited success (MOSTEC & ADB, 2001, pp. 25–28) and in fact, indicated the need for a change in direction. In line with the overall fiasco in the area of decentralization, it was not the first time that directions had been changed with regard to finance reform in education. A 1999 ministerial decree, for example, insisted that funds for education expenses also be raised at provincial, district and school levels. This imported policy did not work in a country where poverty has significantly increased over the past decade and where the proportion of the population living in poverty has remained at a constant 36% (National Statistical Office of Mongolia & World Bank, 2001, p. 2). The experiment lasted only four years. The decree was eliminated from the books and from educational practice altogether after having created considerable hardship, inequality and many obscure situations. For example, the poorest of the poor—herder families with no relatives in district-centres or province-centres to take in their school-aged children—had to provide meals for their children in order to receive a place in a school dormitory (two or three sheep per year for each child).

In rural areas with a subsistence economy and a lack of cash, *sum* and *aimag* governments competed with schools in generating income. In 2000, several school principals reported that they had tried to generate additional income for their school by having their teachers and students, for example, chop and sell wood to the community (Steiner-Khamsi *et al.*, 2000). They planned on using these additional funds, essentially earned through child labour, for purchasing paper supplies and textbooks for their school. Instead, the district and provincial governors, themselves under tremendous pressure to generate additional income and reduce public expenditures, subtracted school earnings from the next year's budget. The more income a school generated, the smaller the budget it was allocated. Needless to say, there was very little incentive for schools to generate income and to raise additional funds from their communities. The two cost-recovery or income-generating schemes, that is, asking parents to cover costs for dormitory meals and subtracting additional school income from the allocated school budget, were, after numerous and continuous protests, finally eliminated in the 2002 Education Law.<sup>8</sup>

In their most recent directive, the Ministry of Education and the ADB find the earlier allocation between the central level and the *aimag* (province) level problematic. For example, the *Final report* ultimately acknowledges the lack of funds at the local level to finance education and recognizes the problems with the financial flow from the central to the local level (MOSTEC & ADB, 2001):

Local governments are expected to prepare their own budgets, based on their own estimated revenues and expenditures. Shortfalls in revenues are often met by grants from the central government. The current block grant mechanism at *aimag* level is perceived to be used inequitably, because earmarked funds are used for other pressing demands on local budget. Such tensions are evidence of budgetary fragility, lack of cash at the local level, and the strain of competing demands for budgetary support. (p. 26)

The expectation that local authorities raise their own funds to cover some of the expenditures for education was unrealistic, and the practice of transferring unassigned 'grants' (which were publicly discussed in 2001) to the local level lent itself

to so much abuse that the government ultimately recentralized educational finance in the form of the 'single treasury' measure.

### **Cultural legacies from the socialist past**

In this study we have attempted to explore Mongolian conceptions of good governance and fair finance, and compare them with notions advocated by international donors. Thus far, we have engaged with the strongly held belief among Mongolian government officials that the education system needs to be administered by state representatives rather than professionals. The distinction between *schools as state institutions* versus *schools as public sites* proves to be essential for understanding the resistance to the decentralization of governance in education. This distinction is not a moot point. To the contrary, it accounts for the ineffectiveness of educational management training programmes that were provided on a large scale throughout the 1990s. There are many other divergent views that affect how Mongolian government officials locally reinterpret and modify reform programmes that have been borrowed and funded from elsewhere. Additionally, there are two other domains where Mongolian and international conceptions of good governance and fair finance diverge: the institutionalized distinction between policy talk and policy implementation, and the notion of 'democratic centralism'.

The discrepancy between policy talk and policy implementation (Cuban, 1998; see also Tyack & Cuban, 1995) was institutionalized in socialist colloquial speech. It was oftentimes referred to as 'political schizophrenia', and citizens learned to live with this key feature of socialist societies. It was a syndrome that manifested itself in a mismatch between political announcements (policy talk) or ministerial decrees (political action) and implementation. The fact that political announcements and ministerial decrees were utterly unrelated to concrete guidelines and implementation strategies has to do with differences in target audiences. Political announcements and decrees were geared towards an 'outside' audience, as opposed to guidelines and policy implementation documents, which were circulated among an 'inside' audience in Mongolia. Political announcements and decrees were directed towards other 'fraternal socialist countries', that is, towards political allies abroad, and provided the required lip-service for proletarian internationalism that, in the case of Mongolia, resulted in generous external assistance from the socialist camp. In contrast, guidelines and implementation plans targeted the local population.

It is indicative of political schizophrenia that in Mongolian, the word 'policy' is difficult to translate. There are at least two expressions that are used to express 'policy': one is most commonly translated as 'national programme' and the other as 'guideline'.<sup>9</sup> Similar to political announcements in socialist times, today's national programmes are grandiose political announcements and unrealistic government strategies with impressive target figures, that are mainly addressed to the potential funders of reform plans. A good case in point is 'The National Programme for Pre-school Strengthening' adopted by the government on 10 April 1995. The Ministry of Education established a five-year plan (1995–2000) for expanding access to pre-school education in Mongolia from 20 to 80%, and improving the overall

quality of pre-school. The Ministry of Education used the national programme to secure international funding. Three international organizations, Save the Children UK, the Mongolian Foundation for Open Society (Soros Foundation), and World Vision contributed funds, but not nearly sufficient to generate the quadruple enrolment rate that the national programme had promised (Batdelger *et al.*, 2000). When the programme ended, the gross enrolment in pre-school education was 27.3%, 8.5% higher than in 1995 when The National Programme for Pre-school Strengthening started, but still slightly lower (0.6%) than in 1991, when enrolment started to drop drastically (Ministry of Science, Technology, Education and Culture [MOSTEC] *et al.*, 2000, Chart 12, p. 38). More importantly, the increase in enrolment was seven times less than the National Programme had projected in 1995. In an attempt to redeem itself in the eyes of international donors, the Ministry of Education embellished the outcomes at the end of the programme by indicating that an additional 14.3% of pre-school-aged children had been enrolled in 'out-of-classroom training' (MOSTEC *et al.*, 2000, p. 31), that is, in short-term preparation courses offered over the summer months which last four to eight weeks. The addition of these courses increased the total percentage of gross enrolment in pre-school education to 41.6%, still only half of the initial target.

From a culturally sensitive perspective, national programmes need to be read and understood as long-term strategies directed towards the international donor community. They signal the general direction that the government is committed to undertake in the long run if it receives sufficient external funds. In contrast, guidelines deal with the current situation and target implementation. There is great scepticism among the population toward national programmes, five-year plans, seven-year plans and other multi-year strategic plans because there is little evidence that they are ever rigorously pursued, let alone fully implemented.

The third area that has caused confusion among international donors, and which we regard as key to understanding the reluctance to decentralize governance and finance, is the Mongolian conception of *democratic centralism*, a core principle of socialist governance. In Marxist-Leninist thought, the state, as representative of the proletariat (working class), needs to enforce democratic centralism, which first ensures that all groups participate in governance (democracy) and then carries out the decisions efficiently and effectively (centralism). Democratic centralism was established in all organizational sites of socialist society, that is, in schools, youth organizations, factories, sport clubs, etc. and at all levels (including central, provincial and district).

In schools, for example, student functionaries were elected at all levels. At the classroom level, an elected student functionary acted as a *de facto* student classroom manager (Mongolian: *angin darga*). Mongolian teachers, from grade one to grade ten, delegated (and still delegate to some extent) the task of classroom management and discipline to an elected student in the class, whose duty it was to reward and punish other students. To this day these students are mostly female, usually the best students in their class and generally well respected by their peers. At the school level, the students elected functionaries who, in line with the socialist principle of self-governance, had to safeguard and advance the interests of the student collective.

Socialist textbooks on educational theory (e.g. Esipov, 1947)—often with reference to A. S. Makarenko’s writings on his children’s colonies—emphasize the importance of establishing student self-governance and instilling a sense of responsibility for the collective. In the same vein, schools—in both curricular and extra-curricular activities—are singled out as an important training-ground for implementing the principles of democratic centralism in socialist society (see also Changai, 1974).

Democratic centralism permeated all aspects of life. As a result, there were myriad pyramids in Mongolian socialist society consisting of functionaries at the top, and the collectives of students, workers, mothers, teachers, pioneers, athletes, etc. at the base. Opponents of the system did not criticize centralism, that is, the belief that central planning is more efficient and more effective than decentralized planning; rather, they criticized the lack of democracy. In practice, the election of functionaries, for example, was held publicly to ensure that only candidates in good political standing and with a party affiliation would run for election. The government justified practices of political oppression and the lack of freedom of opinion by referring to Marxist–Leninist development theory. From this perspective, socialist systems have successfully left the two earlier stages (feudalism and capitalism) behind, but need to establish temporarily a ‘dictatorship of the proletariat’ and a unifying political doctrine until the next stage—communism—is fully achieved.

By definition, socialist countries viewed themselves as countries in transition, gradually moving from socialism to communism. Contrary to commonly held belief, democracy and other core values that international donors propagate nowadays have an established tradition in post-socialist countries. In fact, many constructs of the international community such as transition, democracy, efficiency and effectiveness, quality and international cooperation, have strongly resonated in Mongolia precisely because they already meant something to its citizens and government officials. However, on a semantic level, these constructs were framed differently in the socialist past. In the post-socialist present they have created a host of misunderstanding and confusion, and have become the object of heated debates in both private conversations and in the media.

The following citation from the bi-monthly magazine *Mongolia* illustrates the usage of some of these terms in a Marxist–Leninist interpretive framework. *Mongolia* was the official newsletter of the socialist government that was published in English and disseminated to other countries of the world. In 1976, the First Deputy Chairman of the State Planning Committee of the Mongolian People’s Republic, L. Lhamsuren, introduced the Five-year Plan as follows (Lhamsuren, 1976):

The New Five-Year Plan of Mongolia: *Quality and Efficiency*

by L. Lhamsuren, First Deputy Chairman of the State Planning Committee of the M.P.R.

According to the established tradition clearly reflecting the principle of *Democratic Centralism*, the Party always consults the people before it takes a decision and accumulates everything new and worthwhile and enriches itself with the collective experience so gained.

In implementing the decisions of the Sixteenth MPRP Congress in the previous five-year period the Mongolian people relying on the all-round *Internationalist Assistance*

*of the fraternal socialist countries, made an important step forward towards completing the creation of the material and technical basis of socialism, strengthening the economic potential of the country, and raising the people's living standards. (p. 1; italics added by the present authors)*

The Five-year Plan of 1976–81 was labelled 'Quality and Efficiency'. The socialist government frequently used these terms to legitimize centralist governance.

Ironically, we find frequent usage of these two terms (along with 'effectiveness') in the memorandum of understanding that the Government of Mongolia signed with the ADB on 17 October 2001, a quarter of a century later. Conspicuously missing in the six-page loan agreement of 2001 is the term 'decentralization'. Rather, 'improving the efficiency and effectiveness of education management' is listed (Government of Mongolia & Asian Development Bank, 2001, p. 1), and a relatively small portion of the loan (\$1 million) is allocated for training the staff at the Ministry of Education and provincial administrations, as well as kindergarten and school principals from rural provinces. The far-reaching plans to decentralize entirely the governance, finance and curriculum development in education, which dominated the language of the first ADB loan and earlier education sector reviews, were dropped. Much to the dismay of groups in Mongolia who, for more than 10 years, had called for more public involvement in education reform, the Second Education Development Project is likely to support the current recentralization tendency in Mongolia; moreover, the multifaceted terms 'efficiency' and 'effectiveness' will be locally interpreted as a strong centrally planned government with very limited input from non-governmental groups and organizations.

## **Conclusions**

This case study on the decentralization fiasco in Mongolia lends itself to revisiting interpretations by other scholars who have examined reform efforts in times of political transition.

Cowen (1999), for example, succinctly characterizes the main features of transitional systems as follows: 'the more or less simultaneous collapse and reconstruction of (i) state apparatuses (ii) economic and social stratification systems and (iii) the central value system, especially the political value system to offer a new definition of the future' (p. 84).

Our analysis of the Mongolian case suggests, however, that the 'central value system' (Cowen, 1999, p. 84) is intact and quite effective, and has led to a series of 'cultural misunderstandings' or, more accurately, has manifested differences of opinion between the Mongolian Ministry of Education and international donors. This study focused on three salient areas where cultural legacies from the socialist past clashed with the expectations of international donors: the view of government officials that schools are state institutions (rather than public institutions); the gap between what the government promises to pursue and what it actually implements; and the government's belief that a centralist structure is the most efficient and effective structure for implementing internationally funded projects. In other words,

it appears that cultural legacies from the socialist past—as illustrated in these three cases of ‘cultural misunderstanding’—have endured both the ‘collapse and reconstruction’ of the state apparatus and ‘the economic and social stratification system’ (Cowen, 1999, p. 84). Other observers of the Mongolian ‘transition’ process draw similar conclusions (Enchbat & Odgaard, 1996; Innes-Brown, 2001). Innes-Brown (2001), for example, finds that Mongolian ‘[R]eform in education has not been innovative, merely renovative; effort has been directed at propping up and modifying the existing system rather than a radical reform in concert with the complete turn-around the country’s government and economy has undergone’ (p. 98).

Mongolia is not the only post-socialist country where legacies from the past have lingered to the present. Other comparative analysts of post-socialist countries (e.g. Barkey & von Hagen, 1997) have identified areas where continuities manifest themselves in post-socialist systems, such as in ‘the more straightforward infra-structural legacies, the administrative-bureaucratic legacy, and the more elusive political cultural continuities’ (p. 188).

The general assessment that countries in transition display a high level of social disturbance, and that they are ruled more by chaos than by anything else, needs serious examination. As previously mentioned, we are in concert with Cowen’s distaste for linear comparative frameworks (Cowen, 1999), which, in the case of Mongolia, tend to view legacies from the socialist past as symptomatic of the transition stage in which the government moved from a planned to a free market economy. According to such a linear definition of transition, these legacies will eventually disappear at the end of the road. This narrow view also holds that transition is regarded as completed once decentralization, democratization and other central values of free market economies have been achieved. It is striking how the underlying conception of development parallels the Marxist–Leninist stage theory, albeit with different outcomes. At the end of the transition (socialism), which had to be temporarily ruled by the dictatorship of the proletariat and which relied heavily on ‘internationalist solidarity’, was communism. Similarly, narrow definitions of transition assume that, after temporary rule by chaos (‘transition’), decentralization and democracy will prevail.

In our study of the Mongolian fiasco of decentralization we found the contours of an earlier commitment of the government to decentralize educational finance and governance. The first education sector review of 1993 (MOSE & ADB, 1993), and the first Education Sector Development Strategy, subscribed to decentralization not only at the stage of policy documentation but also when it came to implementing these general directives. Many of the directives, however, were too fundamental and unrealistic given the cultural and former socialist conceptions of good governance and fair finance. For many practitioners the government’s commitment to decentralization was not to be trusted; they saw promises of fundamental decentralization reform as a time bomb doomed to explode with the next change in administration. Eventually, the Ministry of Education had to acknowledge that implementing decentralization policies proved more difficult than envisaged. The government’s shift from pursuing an unrealistic concept of fundamental decentralization to feigning a continued commitment to decentralization is, no doubt, inextricably linked

with economic dependency on external assistance. In our study, we critically reflected on the ‘dictatorship of decentralization’ that has been imposed by international donors. Their imposition manifests itself in their insistence on decentralization despite local resistance and failed attempts to decentralize governance and finance over the past 10 years.

Our study provided a glimpse into decentralization policies under conditions of political, economic and social transition. It also attempted to offer a few insights into policy borrowing and import. The Mongolian decentralization fiasco is an interesting case of educational policy transfer at a discursive level. We found the study of local policy contexts and cultural legacies from the past to be essential for understanding why the Ministry of Education has been engaged in what could be perceived as ‘double talk’, or rather, an opportunistic policy talk that has been strategically directed towards international donors, alongside an engaging talk addressed to Mongolian stakeholders and policy-makers. Acknowledging that governments do not passively receive external assistance, but rather creatively handle the economics of educational borrowing by responding simultaneously to two different audiences—the international donor community and the local constituency—we need to recognize that, in the case of Mongolia, the government went a long way to accommodate both sides.

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### Notes

1. The model presupposed the following stages of development: feudalism, capitalism, socialism and communism. There is a wealth of Marxist–Leninist literature and socialist school textbooks (both in Mongolia and other former socialist countries) that document Mongolian development as exceptional because it bypassed capitalism and moved straight from a feudalist structure to a socialist system. Other non-industrialized countries that joined the community of socialist states were supposed to be modelled after Mongolia, which, after Russia, was the second state in the world to have a revolution in the early twentieth century (1921).

2. Exact name: *Mongol ornyg shinjin uzekh tukhain khereg shiitgekhe khoroo*.
3. Nóvoa and Lawn (2002) coined the concept 'educational space' to explore how educational systems in European countries are striving towards 'fabricating Europe' as a result of their new position in a new European political and economic space. Their edited volume contains several chapters that are relevant for the study of transnational policy transfer. Silova (2002), for example, examines how Latvian politicians justified separate schools for Latvian and non-Latvian speakers (mainly Russian speakers) in the post-socialist period. She finds that the same schools that had been viewed as 'signs of occupation' under Soviet rule were reframed in the post-socialist period as 'symbols of multiculturalism'. The semantic shift was a result of Latvia's repositioning in a new (European) space. The concept of educational space, and in particular the remapping of that space as a result of political and economic changes, is also well captured in Schriewer's work on changes in reference societies [German: *Referenzgesellschaften*]. A research team at Humboldt University found, for example, that authors in Chinese, Spanish and Russian/Soviet journals of education replaced their references to authors from other countries, and thus reoriented themselves to a different kind of educational knowledge whenever their country underwent a dramatic change in political orientation (Schriewer *et al.*, 1998).
4. Stolpe (2003) semantically frames the shift from an internationalist (socialist) to an international (capitalist) orientation as a move from Second World to Third World status. Formerly acknowledged as a flagship socialist country after which incoming socialist 'fraternal countries' should be modelled, Mongolia descended in the post-socialist world-system to Third World status. Today, it receives the same kind of 'treatment' that other low-income countries are receiving from international organizations and experts: a treatment that is frequently uniform, not tailored to local contexts and prescriptive in nature (see also Samoff, 1999).
5. Throughout this paper we use the term 'Ministry of Education' for reasons of consistency, except when we refer to the Ministry as an author of a publication. It is important to note, however, that the Ministry has changed its name several times over the course of the past 10 years. In policy documents such as in the 2002 Education Law, the government consistently refers to the Ministry of Education as 'the main administrative body that is in charge of educational issues' [Mongolian: *Bolovсролын асуудал еркхелсен торин захиргааны тов баигууллага*].
6. We find Lauglo's differentiation in eight forms of decentralization (1995, pp. 6ff.), McGinn and Welch's reflections (2000) in the international context and Whitty *et al.*'s (1998) comparative analysis of devolution, defined as a shift of decision-making authority from the central level to regional, district and school levels, very useful. These authors tend to place decentralization along a conceptual continuum with 'deconcentration' (strong state agents at the regional level) as the minimum definition, and 'devolution' (strong local government with decision-making authority) as the maximum definition of decentralization. The policy documents that we examined for our study do not specify the form of decentralization that was pursued in Mongolia. However, we did not find any indication that decision-making authority ('devolution') had been shifted from the central level to other levels, and we only saw weak signs of 'deconcentration' (minimum definition of decentralization) in Mongolia, which Lauglo (1995) characterizes as 'strong state agents at the regional level, and regionally unified sector planning' (p. 6).
7. It deserves special mention that the rationalization of school administration and staff in the form of complex schools, albeit proclaimed as one of the components of the decentralization reform package, was in effect a centralistic measure. In an upcoming section of this article, we address the need to examine more closely the contradictions between the demands for financial decentralization and the demands for cost-effectiveness and efficiency in Mongolian education reform.
8. The 2002 Education Law explicitly eliminated (paragraph 40) private financial contributions for dormitory meals, thereby replacing the regulation from 1998 (Gegeerliin yaam,

1998, paragraph 34). The practice of subtracting the income generated by schools from the annual school budget, in turn, was already ruled out in the 1995 Education Law (paragraph 33), and thus was merely confirmed in the 2002 Education Law.

9. The national programmes are referred to as *undesnii khotolbor*, and guidelines are labelled either *chiglel* or *khogjuulekh khotolbor*.

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