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International organisations and transnational education policy

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This paper focuses on the World Bank/IMF (International Monetary Fund), the OECD (Organisation for Economic Cooperation and Development) and the WTO (World Trade Organisation) as institutions of transnational policy making. They are all at present making education policies which are decisively shaping current directions and developments in national education systems. The paper reviews the enhanced role of these institutions in producing education policies and investigates the ideological basis as well as the processes through which these policies are made. It is argued that decisions are taken largely through asymmetric, non-democratic and opaque procedures. It is also argued that the proposed policies purport to serve the principles of relentless economic competition. Taking into account similar policies and initiatives, the paper concludes that we are experiencing not only the transnationalisation of education policy making but also the full submission of education to the pursuits of global economy.

Keywords: international organisations; transnational education policy; World Bank; OECD; WTO

Introduction: the enhanced role of World Bank/IMF, WTO and OECD in education policy

It is now common knowledge that due to the greater cross-border mobility of capital, products, services, information and especially due to the wider range of action that financial markets and big corporations have acquired, states' ability to organise production and to control their fiscal policies has been severely restricted. The continuous spread of new telecommunication technologies has largely de-territorialised information and knowledge transmission. The globalisation of economy is accompanied by the globalisation of policy making. Nation-states, inter-state unions, regional and local governments, governmental and non-governmental institutions and private corporations function in transnational contexts to make policies regarding a wide variety of areas. Certainly, the major international organisations, the World Bank and IMF (International Monetary Fund), the WTO (World Trade Organisation) and the OECD (Organisation for Economic Cooperation and Development), have existed in some form since the period after World War II. However, it is from the 1990s onwards that the size, the role and scope of their policy agendas have expanded dramatically, expressing but also defining the process of globalisation. This also applies to education policy.

Let us remember that out of the 192 states recognised by the United Nations, 185 are members of the IMF and the World Bank[1] (as acceptance by one entails membership in both). Since the 'Bretton Woods twins' (the place where the UN Monetary and Financial Conference of 1944 created them) came into being, it has mainly been the World Bank

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which has been active in education policy. This has been the case since 1962 and always in conjunction with the IMF's loan programmes[2], which have a decisive impact on the education policies of the borrowing countries. Today the World Bank is the biggest external loan provider for education programmes, which are implemented in about 85 countries. During the 1990s, the amounts lent by the World Bank for education programmes represented 27% of global external funding on education and 40% of the total aid provided for education by international organisations (Jallade, Radi, and Cuenin 2001). For Africa, during the same decade, the loans and funds provided by the World Bank represented 16% of the total amounts made available for education by African governments (Alexander 2001). Nonetheless, despite these amounts and in spite of the large number of countries relying on its loans, it is not the World Bank's share in the global spending on education which makes its role financially important. It is its influence, along with that of the IMF, on external aid agencies that matters: once the 'twins' lend money to countries in need, they are considered economically and politically credible; credibility mobilises loans and grants by other institutions and countries provided on a bilateral basis. Evidently, all this funding is provided on specific terms and conditions, which define directly or indirectly the educational policy lines to be followed (see, for example, Harvey 2005; Klein 2007; and the analysis further below).

The WTO's major aim is not to give loans but to abolish restrictions in global trade and to open selectively domestic markets to capital flows. This organisation also has its roots in the aftermath of World War II, but it was the joining of the USA and the so-called Uruguay Round (1986–94) which led to the current form and name of this organisation. The Uruguay Round gave birth to the General Agreement on Trade and Services (GATS), which expanded the WTO's membership enormously. Today, after the 'Doha Round' (2001–6), the WTO includes 150 member states and another 30 countries are in the process of membership negotiations. On the basis of the GATS, the WTO is removing tariff barriers and restrictions, not only in trade, but also in services. This is actually the way by which the Agreement affects education: by describing education as a 'service' (WTO 1998) and by including it amongst the approximately 160 services which are liberalised under the GATS, the WTO is trying to create a free global market in education. The plan is facilitated by the fact that participation in all education phases is now massive, that states are unwilling to pay and that the new technologies allow for knowledge transmission beyond national borders.

The OECD, whose function, but not its perception of education policy, is different from that of the WTO, is the globe's 'rich club', as two-thirds of goods and services in the world are made or carried out in its member states. The OECD has 30 member states and co-operates with another 70 countries and organisations. Comprised of wide networks of consultants, researchers and policy makers, the OECD is a transnational mechanism of surveillance of economic performance and a crucial sphere of influence on the global political scene (see Henry et al. 2001). The OECD's education policy has a history of over half a century, but it was mainly in the 1990s that it rose to the prominence it has today; during that time, its famous 'national reports' on education systems were reduced drastically in favour of 'thematic analyses'. The unit of these analyses is no longer the national education system but a theme subject to elaboration and problem solving by experts. Educational technology, school management, higher education, adult education, lifelong learning, and numerous other areas, even pre-school education, have come under the scrutiny of OECD's contracted research and consultancy networks, signifying an impressive expansion of role and scope in the area of education policy making internationally. In some cases (e.g. Germany and France) the classification of countries on the basis of average students' performances on selected subjects and skills, the famous PISA (Programme for International Student Assessment), has caused political crises and in most cases ministers of education refer to it when they announce their reforms. Today, hardly any country related to the OECD ignores its data and recommendations on education.

Likewise, individual member states of the European Union can hardly ignore its education policy, particularly after the Council of Lisbon of 2000, the Bologna Process and the initiation of the 'European education space'. However, although the EU is the prominent example of transnational education policy (see, for example, Novoa and Lawn 2002; Kuhn and Sultana 2005; Moutsios 2004, 2007), this paper will be concerned with the above-mentioned international organisations in which, after all, the EU, and particularly some of its major member states, play a significant role.

This paper focuses on the World Bank/IMF, the OECD and the WTO as contexts of transnational policy making, sustained by their member states, but does not examine the way this policy making is re-contextualised in particular states. Moreover, the policies produced are not merely the outcome of *inter-national* relations. To put it in Beck's formulation (2005), policy making is now *trans-national*, in the sense that national borders are eliminated and mixed up and power flows from the global sphere into nation-states' arenas of power. As he points out, transnational politics contains nation-state politics whereas nation-state politics is becoming the arena where transnational politics is elaborated. The World Bank/IMF, the OECD and the WTO are pivotal in the respect, as: 'It is essentially here, rather than in national arenas, public spheres or organisation, that the rules of the meta-power game of global politics are being negotiated, written and re-written, rules which then change national politics and societies fundamentally' (Beck 2005, 162). Evidently, as indicated above, this concerns education policy making too and affects decisively current directions and developments in national education systems. The paper explores the ideological basis of these institutions' educational policies as well as the power relations between their member states leading to these policies. It is being demonstrated that decisions are taken largely through asymmetric and non-democratic procedures. Moreover, it is also argued that the proposed policies are serving the principles of relentless economic competition. Taking into account similar policies and initiatives, the paper concludes that we are experiencing not only the transnationalisation of education policy making but also the full submission of education to the pursuits of global economy.

Power relations and decision making

Globalisation, as many prominent authors have remarked (e.g. Touraine 1997; Castells 2005; Beck 2005; Held 2006), de-democratises decision making in both economic and political spheres. Important political decisions are taken today within transnational networks of power rather than by the weakened national institutions of representation. The mode of decision making characterising transnational political structures is network-like or 'netocratic', rather than democratic (Castells 2000a; Bard and Söderqvist 2002). Netocratic structures exclude or include members/nodes on the basis of common values, goals and performance standards; they possess the political, organisational, material and knowledge capacity to mobilise resources directed at the achievement of their targets and at 'problem-solving'; they are widely legitimised by the efficiency they demonstrate in performing certain functions and achieving specific targets. Their 'authoritarianism of efficiency', to use Beck's (2005, 143) expression, is a 'sub-form of self-legitimation based … on expert rationality and the self-determination of the "rich guilds" of global business'.

National states support this mode of policy making by taking part in transnational network structures and by legitimising their decisions to their citizens. The institutions considered here are the expression and at the same time the actors of 'netocratic', asymmetric and opaque procedures of transnational policy making. Education, in which they are all increasingly interested, as pointed out above, is certainly not an exception in the way decisions are made.

First of all, the WTO is an extremely asymmetric network of economies and this is testified by both the results and the process of GATS and its numerous accompanying agreements. Formally, decisions in the WTO are taken by ministers of trade and the representatives of all member states. However, the crucial negotiations leading to formal decisions are carried out in informal talks and in circles made by selected representatives to which delegates from many countries, particularly the poor countries, do not have access. As research on WTO (see Mundy and Iga 2003; Robertson 2003) indicates, transparency in negotiations is minimal. There is no requirement that governments made their positions known. Country delegates rarely brief their national parliaments back home and therefore there is no public control over negotiations. In practice, decisions in the WTO are made in private talks between delegates from the powerful economies who promote the interests of their countries but also of big corporations. Unequal power relations are embedded in the very way that the WTO is instituted, as agreements, made in the framework of GATS, do not presuppose reciprocity. Therefore, through the WTO the wealthy countries can pressure the poor countries to abolish their trade barriers but the former can keep their own barriers, usually by retaining tariffs and subsidising their agricultural products, so that the latter are unable to export their own products (Stiglitz 2002). According to the way the WTO and GATS operate, if a state is not willing to open a sector of its economy to international competition it still has the right to negotiate its own access to the market of another state. So, investors from powerful states can have access to foreign markets, despite the fact that their governments do not accept investors from abroad. It is this in-built power asymmetry in the WTO which led to the suspension of the Doha Round in 2006: while the US and the EU insisted that developing countries remove protection barriers, they refused to abolish their own tariffs and subsidies on their agricultural products, thus leading to the suspension of the talks.

Asymmetry in the distribution and exercise of power also characterises the IMF and the World Bank. The World Bank, for example, functions as a co-operative and its member states as shareholders. The number of shares held by each country depends on the size of its economy. Five countries (the USA, Japan, Germany, the UK, and France) hold 37.4% of shares, while 16.4% of them belong only to the USA. If one adds the shares of some other countries, members of the G8, OECD, or the EU (which is actually the biggest financier of the World Bank), the percentage possessed by the economically powerful states exceeds 50%. Economic power is translated into voting power. On the 24-member Board of Directors governing the World Bank, the five privileged states appoint one Executive Director each, while the other 19 are elected by the remaining 180 member states.[3] It is internationally a common secret that the president of the World Bank is appointed by the US and the president of the IMF by the EU. As Joseph Stiglitz, the Nobel Prize holder and chief economist of the World Bank in 1997–2000, testifies, the two presidents are 'chosen behind closed doors'. He also emphasises that 'the institutions are not representative of the nations they serve' and that '[they] are not dominated just by the wealthiest countries but by commercial and financial interests in those countries …' (Stiglitz 2002, 18–19).

This is rather similar to what is going on in the OECD, despite the fact that this organisation is mainly concerned with producing quantitative data and reports. However, in the words of a former deputy director of the OECD who worked in its education division: '… it is never easy to distinguish between what is policy and what is research; the choice of research that governments support, and often of the people who will carry out the research, is in itself an aspect of policy' (Papadopoulos 1994, 16). What the former OECD executive says is what is apparent today for all national and transnational research: that the production and use of specialist knowledge is of crucial importance both as a process and as an instrument of policy making. Moreover, what one can see in his review of three decades of OECD involvement in education is that the one who selects, monitors, pressurises and ultimately decides about research and policy directions is not related to the member states' representation in the OECD's Council. Here too the asymmetry of power relations is associated with the member states' unequal financial contribution which is estimated by the size of their economy. The result is that seven countries (the G8 minus Russia) contribute almost 80% of the total funding to the organisation, while the USA alone pays in 25% and Japan 23% of this funding. Financial inequality is translated to unequal balance of power in decision making regarding research and policy. In his review, Papadopoulos (1994) reports that in the 1980s the American and the British representatives exerted their pressure on the Organisation so that it sets 'basic skills' at a high priority in its research agenda, reinforcing the 'back to basics movement' taking place in the USA and the National Curriculum being introduced in England in that period. Moreover, in the same period the USA asked the OECD to conduct comparative studies based on performance indicators, by exerting direct pressure to the Organisation, as both Papadopoulos and Heyneman (1993), who interviewed OECD/CERI (Centre for Educational Research and Innovation) staff, testify:

> Within the OECD, it was the Americans, and more specifically the US Department of Education, who pressed, powerfully and persistently, for quality to become the top priority in the Organisation's work … Comparisons with the apparent superior performance of the Japanese educational system, the evidence for which was seen in the higher scores of Japanese pupils in international tests, served as a constant incentive to this educational crusade. (Papadopoulos 1994, 181–2)

> The US delegate was said to have put a great deal of pressure, and in very direct language, for the OECD to engage itself in a project collecting and analysing statistical education 'input and outcomes' – information on curricular standards, costs and sources of finance, learning achievements on common subject matter, employment trends and the like. The reaction among the staff of CERI was one of shock and deep suspicion. Those whom I interviewed believed it was unprofessional to try and quantify such indicators, and that it would oversimplify and misrepresent OECD education systems, and that it would be rejected by the [then] 24 four member states whose common interests they were charged to serve. (Heyneman 1993, 375)

What was at that time 'shocking' and 'unprofessional' is today the spearhead of the OECD's research agenda and influence on policy making across countries. The production and comparison of performance data have become crucial tools for reform in many education systems; quantitative comparative data provide scientific support to what has been diagnosed as a problem and they legitimise the measures proposed. Thereby, national education policy comes as a result of inter-state relations operating in a transnational network of research-based decision making, in which the more powerful nodes can promote their own aims and make them the aims of the entire network.

Overall, transnational policy making in education follows the main trend of de-democratisation characterising the way decisions are taken under the conditions of globalisation. Business interests, networked political elites, differential funding capacity and voting rights of states and large amounts of research data shape the context in which policies are produced and diffused across countries.

The neoliberal consensus

The IMF, the World Bank and the WTO policies are commonly described by what is called the 'Washington Consensus', not only because of the home town of the first two institutions. The expression refers to the promotion by them of the neoliberal economic agenda which includes three basic sets of policies: privatisation of public companies, liberalisation of international trade and investments, and deregulation of domestic economic and financial activity. As an ideology, neoliberalism celebrates individual entrepreneurial liberties and skills as well as free markets and freed trade; state interventions must be kept to a minimum as they are considered to be distorting the workings of the market. As Harvey (2005) showed in his study on the history of neoliberalism, the years 1978–80 were a significant turning-point in social and economic history: the US government and the Federal Reserve, Chile, the UK and the communist China were the main epicentres of the ideological and economic policy shifts which were to spread and ultimately remake the world. As both Harvey (2005) and Stiglitz (2002) have remarked, neoliberalism penetrated all major international organisations, either under the direct political pressure of the US and UK governments in the 1980s or through advocates of the free-market discourse who occupied key positions in these institutions.

Since then the World Bank and the IMF have been applying the neoliberal agenda to all countries which need their loans or a positive assessment to be heard by international investors. This is because a positive assessment by the IMF or the World Bank has higher value than their loans, as most of the external aid that a government receives is the result of bilateral agreements. Moreover, during the Bill Clinton governments the USA increased its pressures to various countries, either directly or through these institutions to promote liberalisation of its markets (Castells 2000a). However, arduous liberalisation caused economic crises (e.g. Africa, Argentina, Brazil, Russia, Poland, Indonesia, South Korea, Malaysia, Philippines and elsewhere) which led governments to borrow from 'the Bretton Woods twins' loans that could be given only if national economic policies adopted the same neoliberal agenda – regardless of local particularities (Stiglitz 2002; Klein 2007). The consequences for many economies from their participation in WTO and GATS are similar. As this agreement brings about the abolition of tariff barriers, one would expect that the developing economies access the markets of wealthy countries by exporting their products to them at competitive prices. However, the opening of their own markets entails the devastation of many sectors of their economy which lack the competitiveness of similar sectors originating in powerful economies. This is actually how economic globalisation was established:

> The mechanism to bring in the globalisation process to most countries in the world was simple: political pressure either through direct government action or through imposition by the IMF/World Bank/World Trade Organisation. Only after economies were liberalised would global capital flow in … The goal was the unification of all economies around a set of homogeneous rules of the game, so that capital, goods, and services could flow in and out, as determined by the judgement of the markets … Adherence to the rules meant, by and large, gradually dismantling protection industries that were uncompetitive … (Castells 2000a, 140–1)

This set of homogeneous rules has been applied directly or indirectly to education systems too. Liberalisation, privatisation and deregulation are policies which have been taking place for the last two decades in the education systems of many countries and they continue to spread. International organisations are the main promoters of the neoliberal agenda in the discourse, policies and organisational practices of educational institutions. The agenda also includes a heavy emphasis on human capital production; education systems must produce human resources destined to upgrade developing economies and to ensure the growth of the advanced economies. All domestic education policies should be orientated towards increasing productivity and competitiveness in the global economy.

The latter is particularly promoted by the GATS provisions for education, i.e. the free flow of private capital to countries which open their 'education market'. More specifically, the GATS defines four modes by which trade in services can take place: (1) 'cross-border supplies'; (2) 'consumption abroad'; (3) 'commercial presence'; and (4) 'presence of natural persons'. The implementation of these four modes of education can be translated as, for example: (1) distance education, e-learning, trade of teaching aids and examination material; (2) studies abroad; (3) establishment of foreign institutions' annexes in another country (directly or through franchising), and private training companies; and (4) teachers and researchers working abroad. In the framework of these modes, several WTO members have made commitments for at least one education sector from the five defined by GATS (preschool and primary, secondary, vocational and higher, adult, and 'other' education) (see OECD 2002). Domestic polices favouring the access of the private sector to public education would facilitate the adoption of the GATS. As Rikowski (2002/3) points out, the more an education system is open to the private sector the wider the field of implementation for the GATS provisions. However, asymmetric power relations define which country opens up what sector and on the basis of which mode. As it was also noted above, according to the GATS, if a state is not willing to open a sector of its economy to international competition it can still negotiate its own access to the market of another state. For example, the USA, as Mundy and Iga (2003) note, pressurise their counterparts to open up their 'education market' to foreign investments but they are quite unwilling to do the same. From the above-mentioned five sectors, the USA does not accept to 'open up' the first three (massive) sectors (preschool/primary, secondary and vocational/higher education). This 'hegemonic exceptionalism', the researchers point out, is also claimed by some other economically powerful countries whose insistence on unilateral protection led, as mentioned above, to the suspension of the Doha Round.

Liberalisation of economies of course is the spearhead of the IMF and World Bank policies too, which have been promoted around the word, particularly in weak economies, largely through the notorious Structural Adjustment Programmes (SAPs). These programmes allegedly aim at improving the business-making climate in the borrowing country by abolishing restrictions in trade and investments, by promoting exports, so that foreign exchange flows increase, and by reducing deficits through cuts in public spending. The SAPs are supposed to bring about short-term negative consequences which are compensated for later on by the production of new wealth distributed to the poor (the so-called *trickle down effect*). However, instead of development the SAPs caused further economic depression, social impoverishment, poverty and political instability (Castells 2000b; Stiglitz 2002). Moreover, as Naomi Klein's study (2007) has showed with reference to a variety of countries, very often the IMF and the World Bank, as well as other agencies, take advantage of extraordinary conditions (e.g. deep economic crises, authoritarian regimes or natural catastrophes) to have their programmes of economic restructuring passed. The main outcomes of these programmes in South East Asia immediately after the major economic crisis of 1997, as reported in Klein's study, were mass unemployment and the 'biggest peacetime transfer of assets from domestic to foreign owners' in the last 50 years (2007, 276). The overall result of the implementation of SAPs in more than 80 countries has been, with just a few exceptions, the widening of the income disparities between the poor and rich as well as the penetration of the values of productivity and consumerism in a variety of national and local cultures (Stiglitz 2002; Beck 2005; Klein 2007). As Stiglitz (2002) remarks, the replacement of SAPs by new programmes in recent years has altered neither the character of the two organisations' policies nor their consequences.

The SAPs are by definition related to education, not directly, as it happens with the World Bank's specialised programmes, but through the demanded measures of financial discipline, which have a strong impact on the borrowing countries' education systems. When, for example, a set of adjustment programmes request curtailment of expenditure in the public sector, this may be followed by decentralisation of financial responsibilities to educational institutions, by tuition fees, or by promotion of private education. The SAPs define the economic policy and developmental strategy of the borrowing country and therefore its education policy, which, as a rule, is orientated towards cutting of spending. For example, out of 50 education policy conditions related to SAPs between the years 1980 and 1993 only six called for an increase of educational expenditure (Alexander 2001). Moreover, during the 1980s the expenses on education as percentage of GDP in Latin America and in Africa were decreased more in the countries which implemented the SAPs in comparison to the rest. While the latter reduced educational spending by 29 and 14%, respectively, in the two continents, the countries which implemented the SAPs decreased their educational expenses by 50 and 67% (Reimers 1994).

The World Bank's central mandate for financial discipline and development of market economies is of course reflected in its educational programmes too. As a rule, investments in education supported by the 'Bank' have to be substantiated on the basis of human capital needs of the country under consideration. Thus, in the period 1962–80, as Heyneman (2003) demonstrates in his review of the World Bank policies in education, the 'Bank' prioritised the establishment of institutions of technical and vocational training while it inhibited the promotion of educational contents related with 'pure' science, arts or humanities, and even the construction of libraries, as these were considered merely unproductive academic activities. As a consequence, in the 1970s, when the Western countries were establishing comprehensive secondary schools, the World Bank would fund only binary secondary education systems and only if sufficient emphasis was to be on the teaching of technical skills. Similarly, in the 1980s, when the West started expanding higher education, the World Bank decided to stress through its lending programmes the provision of primary education and to promote tuition fees in developing countries' higher education systems. As a researcher demonstrates (Jones 1992), in the year 1990 70% of the 'Bank's' education programmes requested increase of participation in primary education, 67% reduced funding to secondary and higher education, 56% promoted the introduction of tuition fees and 56% included the condition that private education should be expanded. Without abandoning these priorities, from the 1990s onwards the World Bank has been promoting a reform agenda whose main elements are now common wherever neoliberal policies in education are well established: decentralisation of school management, free choice of school, more involvement of the private sector, performance-related payments for teachers, monitoring and evaluation of educational results (see Alexander 2001).

This agenda and the pursuit for human capital development lie at the core of the OECD's policy too. In fact, with a short break between the mid-1960s and mid-1970s, when social movements in the West demanded educational democratisation, the OECD never stopped to view education primarily as a mechanism of producing human resources destined to feed up the economic development of its member states (see Papadopoulos 1994). In the 1980s, fully aligned with the ideologies of economic restructuring spreading in the West, the OECD started to promote the agenda of cost-effectiveness in education, basic skills and the monitoring of students' attainment. From the 1990s onwards, new technologies, lifelong learning, higher education, the construction of indicators and the recurrent production of performance data on selected subjects were added to those, defining to a large extent debates and policies in many countries. This whole array of policy domains is driven by the OECD's main ideology on human capital which is promulgated in various formal statements regarding the main goals that contemporary education reforms should pursue:

> The prosperity of countries now derives to a large extent from their human capital and, to succeed in a rapidly changing world, individuals need to advance their knowledge and competencies throughout their lives. Education systems need to lay strong foundations for this, by fostering knowledge and competences and by strengthening the capacity and motivation of adults to continue learning beyond school. (OECD 2005)

All education phases are viewed as contributing to productivity and therefore all types of educational provision (even general education) should be aligned to this purpose (see OECD 2006a). In fact, both the International Adult Literacy Survey (IALS) and the Programme for International Student Assessment (PISA) are conceived as some of the OECD's tools for measuring human capital (see OECD 2001, 19), while the Organisation is now promoting the idea of a 'PISA for higher education' (OECD 2006b, 2008). However, to have education provision serving the production needs of its member states, the OECD is also proposing the 'blurring [of] the boundaries between VET [vocational education and training] and general education … and between learning and work' (OECD 2007).

> Perhaps our terminology is part of the problem – instead of VET we might be better off talking about education and training for work and also about learning by doing. All schools, colleges and universities need to provide education and training for work – some of it very general and some more specific. They also need to offer more learning by doing – which should be particularly suited to acquiring the skills that employers expect and ask for – working in teams, creativity, communication and social skills … There is also a need to reduce the boundaries between learning and work itself. We need to determine how the two can be combined throughout life, both at the workplace, as well as outside, both during and after working hours, but always with the necessary support and participation of employers. (OECD 2007)

The enhancement of human capital through education systems, according to the OECD's recent initiatives, should be accompanied by the reinforcement of 'social capital' and 'social cohesion'. What is conceived with this set of terms is an aggregate of individuals networked with shared norms and values that facilitate co-operation in a well-functioning market society oriented towards economic growth (OECD 2001, 9–13). In fact, despite differences in emphasis, there is broad consensus amongst all major transnational institutions (including the EU) on human capital, social capital and social cohesion as the main guides of their policy making in general and in education in particular. The aim is that individuals learn to develop modes of 'associational life' (e.g. membership of voluntary associations, networks and activities) which may help them access economic resources – regardless of who controls them (see Weerd et al. 2005, 14–16, and the World Bank's website on social capital).

Similarly, there is a broad concurrence on the mode economic development despite the recent shift from the Washington consensus to the so-called 'post-Washington consensus'. This last term was invented by Stiglitz, as a result of his critique on 'market fundamentalism', to signify an 'augmented' agenda of economic development which includes corporate governance, anti-corruption, flexible labour markets, WTO agreements, independent central banks, social safety and poverty reduction (see, for example, Stiglitz 2004; Rodrik 2006). However, in this second consensus the main difference is, as a researcher put it succinctly, that 'the state *versus* the market gives way to state *and* market to overcome market imperfections' (Fine 2002, 12). In fact, the inventor of the original term, the economist John Williamson, sees no difference between the two 'Washington consensuses', except in the language used, and he underlines that they both emphasise the 'importance of human capital development' (Williamson 2004, 14).

Conclusion

Education policy making is no longer an exclusive affair of the nation-state. Transnational institutions, to which most nation-states belong, are now the main contexts which define the major educational aims. Through largely asymmetric, non-democratic and opaque procedures of decision making transnational institutions are devising policies derived from human capital and neoliberal ideologies. The proposed policies purport to serve the principles of relentless economic competition which is now globalised and knowledge-based. Indeed, capital mobility meets practically no borders and the dominant economic activities are those which are capable of producing and using knowledge. Knowledge is placed at the heart of global economic competition and by extension knowledge transmission, acquisition and certification, namely education.

Under these circumstances, 'educational borrowing' – always an ambivalent term – no longer holds as a method of policy making and consequently as an analytical concept in comparative education studies. Education policy 'borrowing' has been particularly associated with the building and development of national education systems, when (mainly in the nineteenth and part of the twentieth century) officials and observers were sent abroad to study foreign educational structures, regulations, policy directions and practices. Certainly, countries like Finland still accept dozens of foreign delegations every month seeking to know what the secret for success is, but the very meaning of success (e.g. performance in the PISA subjects and skills) is being defined in transnational policy contexts (e.g. the OECD) where the governments of both 'borrowers' and 'lenders' are taking part. 'Borrowing' is now looking for the 'best practices' required to achieve certain aims. But what are these aims and, more importantly, what are the major directions that education systems should be moving towards are increasingly matters of transnational policy making.

This is testified by the functions of the institutions considered here as well as by many other transnational initiatives undertaken today which bring together organisations and governments to pursue a largely common education policy agenda. This agenda, as the analysis in this paper showed, defines education primarily in terms of its economic value and learners as human resources, required by the global production system. In the beginning of the twenty-first century, we are experiencing, at the most official level, not only the transnationalisation of education policy making but also the subjugation of education to the mandates of the global economy.

Notes

1. World Bank is a title commonly used to refer to the IBRD (International Bank for Reconstruction and Development) and the IDA (International Development Association). They both provide loans and credits – the first focusing on 'creditworthy' poor countries and the second on the poorest member states. See the World Bank's website.

2. The IMF and the World Bank co-operate formally through the 'Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries'. See the IMF's website.
3. See the World Bank's website.

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