# Globalization and Educational Restructuring in the Asia Pacific Region

Edited by Ka-ho Mok and Anthony Welch

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Preface

Over the past decades, people have begun to talk about the impact of globalization on economic, social, political and cultural fronts. As the processes of globalization are complicated, the developments in economics, politics and culture are not immune from such restructuring processes. The growing impact of globalization has unquestionably drawn a number of people to believe that there are many aspects of globalization that are beyond the control of nation states. It is also argued that the rising global capitalism has inevitably forced individual states to change both their roles and their constitutions in order to adapt creatively to the demands and pressures generated from changing external environments. In addition, globalization and the evolution of a knowledge-based economy have created additional pressures for nation states to improve/maintain their competitiveness in the global economy environment. In order to enhance their national capacity, education reforms have become common agendas among nation states of advanced industrialized countries since the 1980s and have extended to the Asia Pacific in the 1990s.

In order to maintain the national competitiveness in the global marketplace, governments across the world have started to review their education systems and different reform initiatives are introduced in education to enhance the global capacity of their citizens to better adapt to the ever-changing socio-economic and socio-political environments. In the context of globalization, we can easily see a paradigm shift in public policy and public management toward a financially driven and free-market ideology, whereby education policy change and governance mode have been significantly shaped by market principles and practices. Not surprisingly, discourse of economicism, ideological stance as performativity and notion of neo-liberalism have become increasingly popular in governing educational developments across different parts of the globe.

This book is set out in a wider context of globalization in order to examine and reflect critically upon the origin, evolution and development of how processes of globalization have affected educational developments and educational policies in the Asia Pacific region. More specifically, the major focus of this book is to examine how the selected

societies in the region have reacted, and what strategies these governments have adopted, in response to the tidal wave of marketization, corporatization, commercialization and privatization in education. This book also discusses how processes of globalization have resulted in structural adjustments and how education policies are influenced, and in what way academics and teaching professionals have been affected.

There are eleven chapters in this volume. Chapter 1 is the introduction setting out the major theoretical and conceptual issues that this volume will tackle. In Chapters 2 to 10, we have selected nine societies in the Asia Pacific region which includes Singapore, South Korea, Taiwan, Hong Kong, China, the Philippines, Cambodia, Australia and New Zealand as our case studies. The contributors of this volume have attempted to outline the most current and recent educational changes and transformations in their societies, discussing in particular the impact of structural adjustment that have resulted from globalization processes on educational developments. The final chapter of this book is the conclusion drawn by the two editors. Welch and Mok have chosen the theme 'Deep development or deep division?' and examine whether processes of globalization have really promoted genuine improvement and development in education; but they conclude that such processes have intensified education disparities between the poor and the rich. The world seems to have been divided into the 'haves' and 'have nots'. Even with the advancement of technology and communication, the gap between the rich and the poor has not come closer but has in fact widened.

Similarly, sociologists of development have contrasted 'development' and 'distorted development' by arguing that rapid economic growth may not bring real social progress, let alone realize the goal of achieving social welfare for all. Instead, as an increasing number of people have begun to realize, the growing impact of globalization has in some cases resulted in regional disparity, highly skewed income distribution, poverty, deprivation, low health status, insufficient housing, unemployment, oppression of women, intensified disparities in education opportunities, and a variety of social problems. It is in such wider socioeconomic and socio-political contexts that this volume sets out to examine issues related to how globalization and structural adjustment has changed the way education is managed and governed. We hope that this volume will offer our readers a better understanding of the most current educational developments in the Asia Pacific region as well as

providing comparative perspectives and international insights. Finally, this book is an attempt to reflect upon the social, cultural and political implications of educational restructuring in the Asia Pacific region in the context of globalization.

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In the course of research on globalization and educational restructuring in Asia and the Pacific Region one accumulates debts of many kinds. A great many people and institutions deserve thanks for their help and service during the researching and editing of this book, but we can only mention a few in this formal acknowledgement.

Throughout the whole editing process, we are particularly grateful to all the contributors who have worked very hard to meet the deadline and their contributions to this volume make the publication plan a reality. The present volume is based upon our research projects conducted in different parts of the Asia Pacific region, with particular reference to examining how governments in particular and education institutions in general respond to challenges generated from the growing impact of globalization. When conducting our research projects, many people have provided useful assistance to us, particularly our research collaborators who have made arrangements and provided help necessary for enabling us to conduct field visits and field interviews in different parts of the Asia Pacific region. Particularly we wish to thank those unnamed officials, friends and scholars for freely sharing with us their valuable experience and views.

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When we are aware of intellectual debts, we have tried to acknowledge them in the notes. Inevitably, many indirect influences have not been mentioned here. We have attempted to repay these scholarly debts in the most appropriate coin by trying our best to engage in future research to promote better understanding of globalization and educational restructuring in Asia and the Pacific realm. We dedicate this book to those who are interested in comparative education.

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Globalization, Structural Adjustment and Educational Reform

Ka-ho Mok and Anthony Welch

Introduction

Schools, universities and other educational institutions now encounter far more challenges than ever before, and are subjected to unprecedented levels of external scrutiny. All providers of education today inhabit a more competitive world where resources are becoming scarcer, but at the same time they have to accommodate to increasing demands from local communities, as well as changing, and often rising, expectations from parents and employers. Within such a policy context, schools and universities nowadays are increasingly governed by market ideologies, and significantly shaped by the corporate discourse of efficiency and effectiveness. The change in governance ideology in the education sector has undoubtedly altered the ways educational institutions are managed, as also the day-to-day work of teachers and academics. This chapter examines how the ideas of globalization, and structural adjustment, economic rationalism and managerialism have dominated the discourse of education, with particular reference to the processes of corporatization and marketization of education in different parts of the globe.

The impact of globalization

Over the last decade, people have begun to talk about the impact of globalization on economic, social, political and cultural fronts (see, for example, Giddens, 1990, 1994; Held *et al.*, 1999; Hirst and Thompson, 1999; Sklair, 1995, 1999). There is no single generally agreed definition of globalization and some even argue that its significance, and its novelty, has been much exaggerated. Nonetheless, we have seen an

ever-increasing number of books and articles discussing how different aspects of globalization have affected the march of human history (Albrow, 1996; Robertson, 1992; Sklair, 1995; Waters, 1995). John Gray, in his recent book *False Dawn*, defines globalization in the following way:

> Globalization can mean many things, On the one hand, it is the worldwide spread of modern technologies of industrial production and communication of all kinds across frontiers – in trade, capital, production and information . . . Globalization also implies that nearly all economies are networked with other economies through-out the world.
>
> (1999, p. 55)

When talking about 'globalization', sociologists generally refer to the complex set of processes which 'result from social interaction on a world scale, such as the development of an increasingly integrated global economy and the explosion of worldwide telecommunications' (Giddens, 1999; Sklair, 1999, p. 321). Malcolm Waters, the author of *Globalization*, sees globalization as 'a social process in which the con-straints of geography on social and cultural arrangements recede and in which people become increasingly aware that they are receding' (Waters, 1995, p. 3). Despite the fact that globalization is led from the West and it bears the strong imprint of American political and economic power, we should not treat this as only the dominance of the West over the rest. Instead, globalization has clearly affected both the United States and other countries across the planet. Giddens argues that globalization is about the transformation of time and space because of the emergence of instantaneous global communication and mass transportation (Giddens, 1994).

More importantly, 'globalization also influences our everyday life as much as it does events happening on a world scale' (Giddens, 1999, p. 4). As Giddens rightly puts it, 'globalization is restructuring the ways in which we live, and in a very profound manner' (1999, p. 4). The forces of globalization have extended their influence on sexuality, marriage and family, let alone the ways politics and economy operate. It has also been strongly argued that the impact of globalization is related not only to economic restructuring, but also to the cultural and ideological spheres (Fukuyama, 1992; Jameson and Myoshi, 1999; Ohmae, 1990; Tomlinson, 1999). On the one hand, world culture has become increas-ingly standardized; on the other, the same process of glocalization has

created a new hybridity of cultural styles and mixes (Robertson, 1995), and, it is sometimes argued, even helped to sustain local cultures (hence the rather ugly term 'globalization'). Ideas such as 'post-modernism', 'managerialism', 'economic rationalism', 'global consumerism' are becoming dominant in public discourse, as well as shaping the ways private and public organizations are managed (Ball, 1998; Flynn, 1997), and this diverse phenomenon is also at times associated with globalization. Sklair (1995) proposes a more explicit model of the global system based on the concept of transnational practices, practices that originate with non-state actors and across state borders. Central to his model of the global system is a concern with how transnational corporations, transnational capitalist classes and the culture ideology of consumerism operate to transform the globe in terms of the global capitalist project. Seen in this light, globalization is not merely a practice in the economic sphere but practices in the political and cultural domains, a point elaborated more clearly in his taxonomic 1999 work.

What the above indicates, is that, while there are several facets of globalization (at least, cultural, political and economic, or as Sklair has argued recently, the world-systems approach, the global culture approach, the global society approach, and the global capitalism approach), it is to economic effects that one should look first. This is not to say that the thesis of cultural globalization lacks merit. It is however, to point out as does George Ritzer, in his recent book *The McDonaldization of Society*, that the American influence does not stop at James Cameron's *Titanic* and Bill Gate's *Microsoft Windows*, but extends to the modes of management in both the public and private sectors. The success of McDonalds is not the fast food alone, but also the management style and the philosophy of the corporation (Ritzer, 1998). The management style and ethos of this most successful US-based transnational fast food chain firstly influenced private sector management, and subsequently public sector management (Currie, 1998; Ritzer, 1998). As a consequence, practices like 'marketization', 'privatization' and 'corporatization', resulting from these popular ideas, have become increasingly prominent, eventually affecting not only people's beliefs and their ways of doing things, but also the ways in which the public sector is managed (Currie, 1998; Flynn, 1997; Halsey, 1992; Hood, 1999; Miller, 1995; Mok, 2000a; Welch, 1998a and b). Hence, we are arguing that it is these effects which are prime, albeit not singular, and it to these effects that we shall look first, (again, without discounting the effects of cultural and political forms of globalization), in assessing the effects,

if any, of globalization on contemporary reforms in education, in Asia and the Pacific.

Post-modernism, economic rationalism, managerialism and changing models of governance

Since before the end of the Cold War in the late 1980s, a strong intellectual and cultural milieu has prevailed in many countries, that can generically be described as postmodernism. By this term, we refer to the diverse, prolix and prolific set of proposals that generally distrust 'grand narratives' and prefer instead a radical equality of ideas, combined with a putative absolute freedom, and concern with the pervasiveness of power and domination which occurs through language and which can be rectified by deconstruction (Bruner, Ketcham, Preda and Norwine, 1993). With its powerful anti-traditionalist, anti-foundationalist and anti-establishmentarian impetus, the application of the ideas of post-modernism has led to the replacement of many traditional sources of authority with new elites created and legitimated by market forces (Owen, 1997; see also Agger, 1991; Norris, 1993). Indeed, according to Bauman (1994), the collapse of the former Soviet Union is closely related to the impact of post-modernism. Bauman argues forcefully that 'what eventually brought communism down . . . was the postmodern, narcissistic culture of self-enhancement, self-enjoyment, instant gratification, and life defined in terms of consumer styles' (1994, p. 21). If we accept this argument that it was postmodernism that helped to destroy as large an entity as the Soviet Union, it is little wonder that traditional universities, for example, have recently been under immense pressure, from similar forces.

The ideas of postmodernism, together with the complicated processes of globalization, have led leaders of nation-states in different parts of the globe to argue publicly that individual states are essentially ineffective in the face of global market forces. In this sense, it has been argued, national economic management, national political and social policies are becoming increasingly irrelevant because international or, even more, global markets, are beyond the control of any individual nation state (Dudley, 1998). As Held *et al.* argue in their recent account of the economic effects of globalization:

> Reinforced by financial liberalization the accompanying shift towards markets and private financial institutions as the 'authorita-

tive actors' in the global financial system poses serious questions about the nature of state power and economic sovereignty.

(1999, p. 234)

Under these prevailing global forces, the nation state is deemed to be vulnerable and incapable of dealing with any crises, in which supranational action is needed to resolve the problem (Veseth, 1998; Weiss, 1998; Wilding, 1997). Putting the ideas of postmodernism and the experiences of globalization in perspective seems to suggest that modern states have a licence to do less, and increasingly allow the market to determine the rest. It is particularly true when the forces of globalization induce leaders of individual nation states to put forward social–Darwinist views that only the fittest can survive in the open global competitive environment. Turning to the political aspect of globalization, Cerny rightly argues that:

> Globalization as a political phenomenon basically means that the shaping of the playing field of politics itself is increasingly determined within insulated units, i.e. relatively autonomous and hierarchically organized structures called states; rather it derives from a complex congeries of multilevel games played on multi-layered institutional playing fields, above and across, as well as within, state boundaries.

(1997, p. 253)

The substantial questioning of the state's capacity, or perhaps willingness, to continue with the wholesale provision of public services in recent decades has led, on one account, to the transformation of the state from one of 'big government, small individual' to one of 'small government, big individual' (Flynn, 1997), although the extent to which the individual is actually empowered by this process is moot. Theoretically, the state is reduced to the role of the 'night-watchman state' of classical liberalism, hence only taking care of law and order, protecting the sanctity of contract, and maintaining the minimum level of welfare to protect those really poor and vulnerable, while simultaneously, (and, many have argued, paradoxically) facilitating the free operation of the market (Brown and Lauder, 1996). In response to this more 'globalized' context, modern states have taken two broad forms: individually they have taken on what Cerny (1997) calls a 'competitive state' form; and collectively they have tried to set up a framework of international organizations that Rosenau (1992) refers to as 'governance

without government', to cope with larger, and more complicated matters and issues (Dale, 1999).

What characterizes the competition state, and how does it link to the transformations associated with globalization? Arguably, the outlines and connections are as follows:

> The state is no longer in a position anywhere to pursue the general welfare as if it were mainly a domestic problem. As the world economy is characterized by increasing interpenetration and the crystallization of transnational markets and structures, the state itself is having to act more and more like a market player, that shapes its policies to promote, control and maximize returns from market forces in an international setting.
>
> (Welch, 1996, p. 6, citing Cerny, 1990, p. 230)

Given this context, in which increasing numbers of people have begun to question state capacity in governing the public sector, ideas like economic rationalism and managerialism have become increasingly popular. During the 1980s and early 1990s, the framework of economic rationality had a very significant impact on Australia's public policy formulation, as also in other Anglo-American democracies such as the UK and New Zealand. The prominence of 'economic rationalism' has undoubtedly dominated the public discourse and the way public/social policy is managed (Pusey, 1991), including in education (Welch, 1996). As his study of Australian education showed, economic rationalism sees itself as universalistic and as the basis for reform of social policy and the public sector, including in education:

> In practice, this dictates the remodelling of education according to the 'logic' of economy and efficiency, which tend to over-ride educational principles such as equality, social justice or liberal curricula. The assumptions of so-called 'free market' and 'individual choice' within this way of thinking dictate a significant shrinkage in the role and function of the state, since it is argued that marketization is inherently more economically 'rational'. Public authorities are subjected to market principles, by encouraging competition between different schools, (or hospitals etc.) while more resources are given to the private sector. Individuals are now held responsible for their own success or failure, and the traditional safety net of government provision is, to some extent, withdrawn.
>
> (Welch, 1996, p.2)

As Marginson (1993) has suggested, economic rationalism can be traced back to neo-classical economics to which such themes as scarcity, competition and the 'invisible hand' are attached. According to the *Australia Reconstructed* agenda, for example, 'structural change and the promotion of a productive culture are necessary to enhance [Australia's] international competitiveness, while employers need to accept that structural change and new work organization are not simply opportunities to shed labour, and that workers need to be a party to any change' (Bill Kelty, ACTU Secretary, cited in *Australia Reconstructed*, 1987, p. v). Despite the fact the proposed agenda of *Australia Reconstructed* did not become the blueprint for the post-1987 Hawke and Keating Labour government, there appeared to be substantial commitment to the cooperative implementation of this post-Fordist path to international economic competitiveness (Dudley, 1998), (despite criticisms of its inadequacy) at least for the term of the Labor government.

It is within such a policy environment that a whole new language has been coined, including in education, centreing around terms such as 'excellence', 'increasing competitiveness', 'efficiency', 'accountability' and 'devolution', the development of which has resulted in the development of such strategies as internal audits, quality assurance mechanisms, performance pledges, and management-by-objectives in the public sector, all supposedly to improve the efficiency and effectiveness of public services (Welch, 1996). In short, what is central to economic rationalism is the subversion of the social good to that of the economic good: the promotion of productivity and economic growth, the pursuit of more economistic forms of efficiency, and the development of a more competitive and performative culture (Ball, 1998; Friedman, 1982; Welch, 1998b).

Despite the fact that different countries have chosen various ways to respond to the global trend, it is unquestionable that there are several ways in which globalization has created a climate of reform, supporting profound changes in public administration and management in individual countries. In the face of the receding role (and some have argued, capacity) of nation states to manage the global economy, as also increasingly complicated policy options, some theorists began to rely increasingly on the ideas of managerialism and the practices of public management in order to achieve pre-set objectives with maximum efficiency, as well as supposedly genuine responsibility for results. In line with the notions of managerialism, nation states are now required to be less interventionist, in regulating business, as also leaner in their own administration and management. Some of this rhetoric of auton-

omy pervades contemporary discussions of public sector reform, in which, however, 'steering at a distance' (Marceau, 1993; Moon, 1999; Osborne and Gaebler, 1992) is increasingly commonly used, as a means to ensure that institutions do not take their autonomy too far, and stray from government agendas.

The other conventional form of discipline is that of economics itself. Today, the purposes of public administration and management are very much measured in terms of economic indices, notably the efficient and economical management of human and financial resources, often in a context of declining budgets, in real terms (Yeatman, 1987, 1993). Fostering a performance-oriented culture in a less centralized form of public management is strongly supported by supranational bodies such as Organization for Economic Cooperation and Development (OECD, 1995), as well as in recent World Bank reports on education (1994, 1995a and b), whose prescriptions carry more weight than their size might suggest, and which can be tied to funding priorities for educational and public sector reform (Welch, 2000a, 2002). The reach for a supposedly more effective and efficient approach in managing the public sector has in fact often led to a 'rational, output-oriented, plan-based, management-led view of organizational reform' (Sinclair cited in Taylor *et al.*, 1997, p. 81). Clearly, the ideas of post-modernism, economic rationalism and managerialism have influenced the thought and philosophy of governance in many countries.

Unlike the practices of old, the new vision of governance today conceives modern states as 'facilitators' instead of 'service providers', all the more true as the 'welfare state' has transformed itself into a 'competitive state' (Cerny, 1990, 1997; Yeatman, 1994). According to Rhodes (1997), at the heart of the governance debate is that the mode of governance associated with Weber's classic ideal type of bureaucracy is in the process of being deconstructed. In its place are emerging forms of governance that bring both state and non-state actors into the policy process, and transfer control to bodies operating either on the margins of the state or outside its boundaries altogether. Indeed, as these pages go to press, substantial debates have broken out in several countries as to the role, responsibilities and autonomy of churches, whom governments, in an eerie echo of eighteenth and nineteenth century liberalism, are increasingly making responsible for the delivery of social services. Baltodano (1997) rightly points out that 'through the institutionalization of the global economy; through imposition by the international organizations; by increasing interconnection, both formally and informally; by changing the values of both bureaucrats and policy makers; selection of management practices is shaped increasingly by

globalization; trans-nationalisation of the nation as apparatus' (pp. 623–6). As a result of globalization, some scholars even postulate a distinct 'New World Order' where 'much of the globalization process came to be dependent on the adoption of reduced roles for government, not only as a regulator but also a provider of public services' (Jones, 1998, p. 144). This 'New World Order' is characterized by governments which revamp the role of a government, cutting back the scope of their work: as argued above, the notion of 'social good' is replaced by the rhetoric of 'economic good', (which is held to comprehend the former), thus issuing in a regime in which customers and choice are nonetheless regulated by the three Es, namely, economy, efficiency and effectiveness (Hughes, 1998; Welch, 1997b).

Globalizing practices: marketization, privatization and corporatization of the public sector

As discussed above, the impact of globalization and crises of the state have created immense pressures for the restructuring of governance and the public sector. Increasing constraints on public expenditure have meant that the public management today is much more concerned with how to reduce costs, or, at least prevent them from continuing to rise. Such concerns have inevitably changed the nature of government from service providers to regulators, thereby making modern states conscious about how to regulate the quality of public services. As Le Grand and Bartlett (1993) suggested, modern governments have become basically service purchasers, 'with state provision being systematically replaced by a system of independent providers competing with one another in internal or "quasi-markets"' (p. 125). In short, the welfare crisis led by economic globalization has turned governments from a 'primarily hierarchical decommodifying agents' into a 'primarily market-based commodifying agent' (Cerny, 1997, p. 256). Not surprisingly, the replacement of the 'welfare' state by the 'competition' state has also transformed it from one concerned with maximizing general welfare to one aimed at maximizing returns on investment, and brought about greater managerialism within the public service (Rees and Rodley, 1995), including in education (Welch, 1996, 1998a and b, 2001a). Nowadays, the public sector is becoming less concerned about the delivery of public services and defending the public good than about the management of scarce resources (Cerny, 1990; Yeatman, 1994). In the process, public sector managers have been transformed into 'economic managers, working inside a permanent depression mentality' (Yeatman, 1993, p. 4).

Under pressure from this tidal wave of reform proposals, the modern state is in retreat in many parts of the world, not merely in Anglo-American democracies (Scott and Guppy, 1997), but in many parts of the developing world, including Asia and the Pacific, and in post-communist societies. States have begun to transform the ways they manage themselves. Notions such as 'reinventing government' (Osborne and Gaebler, 1992) and 'entrepreneurial government' (Ferlie *et al.*, 1996) have become far more fashionable and led to the initiation of key reforms in public sector management. In order to improve the efficiency and effectiveness of public service delivery, new ways to maximize productivity and effectiveness comparable to that of the private sector are sought. Two major strategies commonly adopted by governments in different countries in response to resource scarcity are 'privatization' and 'marketization'. Despite the fact that there are different interpretations of these 'terms', what is central to them is closely related to two core principles: firstly, the belief in the ideological commitments of neo-liberalism, which holds the view that the state should not bear the primary responsibility to serve all public-good functions (Dale, 1997); and, secondly, a parallel recognition of the state's severely limited capacity to act in certain policy areas, although the common recognition of this phenomenon, by scholars from left and right, (Crozier, Huntingdon and Watanuki, 1975; Habermas, 1976; Offe, 1990, 1993) is accounted for by each, very differently.

It is within this wider socio-ideological context that the demands of 'structural adjustment', that is, the diminution of the public sector, (together with its parallel transformation along business lines) and the expansion of the private sector, have become increasingly seen as legitimate in contemporary society. In concrete policy terms, different ways and measures along the line of 'privatization' and 'marketization' have been introduced and implemented with the intention of lessening the financial burden of the state and improving the performance of the public sector (Flynn, 1997; Hood, 1995; Prosser, 1995). As for corporatization, it refers to the conversion of a state body into an independent commercial company. When corporatization is implemented in the public sector, it implies that the running of public organizations are just running businesses (Yeatman, 1994; Welch, 1996, 1998b, 2002). Primarily concerned with outputs and results, the corporatized public organizations inevitably shift their attention to efficiency, effectiveness and economy instead of evaluating whether people have really benefited during the process.

Marketization and corporatization of education

Education, being one of the major public services, is not immune from this tidal wave of marketization and privatization. At a time of economic constraint, and under the influence of this ideology, people have begun to question the taken for granted belief that the government should act as the sole provider of education. Dale (1997) rightly highlights that the education system, similar to other state organizations, cannot avoid addressing the three central questions the state in capitalist societies now faces:

   (i) supporting the capital accumulation process;
  (ii) guaranteeing a context for its continued expansion, and
 (iii) legitimating the capitalist mode of accumulation, including the state's own part in it, especially in education.

<div align="right">(Dale, 1997, p. 274)</div>

Compared with the good old days in 'welfare state', universities, for example, nowadays experience increasing pressures from governments (in many states still the primary paymaster in higher education) to demonstrate maximum outputs from the financial inputs they are given – although unlike ever-increasing enrolments, the latter are now often platueauing, or diminishing, at least in real terms (Altbach and Lewis, 1996; Welch, 1997b, 1998b). Indeed, what has become increasingly implemented as governance in higher education are corporate models and market-oriented approaches. By 'corporate model', we refer to turning universities into 'corporations' or 'entrepreneurial universities' under which organizational structuring and functioning is altered in light of the belief that education should serve economic purposes (Slaughter and Leslie, 1997). Amid the pressure for management efficiency in the face of widened access and reduced resources, the use of market or economic principles is seen as a disciplinary mechanism with which to make not only the higher education sector and its personnel but also the school sector work harder, more efficiently and effectively (Ball, 1990, 1998; Welch, 1998a and b). Such a new governance model has been supported and promulgated by certain supranational organizations like the World Bank and the Organization for Economic Cooperation and Development (OECD, 1995; World Bank, 1994). Despite the fact that the Bank has called for the bringing back of the state back into education, the impetus for change initiated by the Bank few years ago has undoubtedly shaped the current wave of educational

restructuring along neo-liberal, managerialist lines (World Bank, 1998, 1999), while World Bank reports on higher education, and on education more generally, have been widely critiqued for advancing an agenda of user-pays fees, increased privatization, a reduced public sector, and decentralized administration (in which states increasingly shed responsibility for failures in the system) (Samoff, 1996; Watson, 1996; Welch, 2000a, 2001a, 2002). In its most recent report, the OECD too has projected the future development of higher education in the following way:

> Tertiary education is changing to address client and stakeholder expectations, to respond more actively to social and economic change, to provide for more flexible forms of teaching and learning, to focus more strongly on competence and skills across the curriculum.
>
> (OECD, 1998, p. 10)

In order to become more competitive, universities have changed the ways they manage themselves. 'Terms of new discourse' have emerged such as mission statements, system outputs, appraisal, audit, strategic plans, cost centres, and public relations (Duke, 1992). In addition, the success of higher education reforms is increasingly measured in terms of supposedly lesser degrees of state intervention, while increased management autonomy and market-oriented instruments are playing a far more significant role in such review exercises (World Bank, 1994). Even here, however, all is not as it seems: although autonomy is often said to be a cornerstone of contemporary reforms in higher education, in practice, the phenomenon, noted above, of 'steering at a distance' commonly involves the use of such mechanisms as discretionary funding – which at a time of financial stringency no university can afford to ignore, but which ties institutional performance more closely to broad governmental agendas. Under the strong tide of managerialism, universities have become more hierarchical and bureaucratic in nature (Currie, 1998). The global tide of managerialism has accelerated the movement of faculty and universities toward the market, which can clearly be reflected by the ideology of 'the market knows best', business practices, performance indicators, corporate managerialism and line management, commercialization of research as well as commodification of knowledge (Vidovich and Currie, 1998; Welch, 1998b). Analyzing the fundamental changes in the university sector, Slaughter and Leslie rightly observed that:

> To maintain or expand resources, faculty had to compete increasingly for external dollars that were tied to market-related research, which

was referred to variously as applied, commercial, strategic, and targeted research, whether these moneys were in the form of research grants and contracts, service contracts, partnerships with industry and government, technology transfer, or the recruitment of more and higher fee-paying students. We call institutional and professional market or marketlike efforts to secure external moneys *academic capitalism*.

(Slaughter and Leslie, 1997, p. 8)

The overwhelming impact of managerialism on higher education is easily identified as more and more university presidents or vice-chancellors have come to regard themselves as chief executive officers, while faculty deans and department heads have become, in effect, line managers. Treating universities as business enterprises, these 'managers' and 'executives' increasingly adopt market-oriented principles and business-like criteria to run higher education institutions (Currie, 1998; Newson, 1992; Yeatman, 1994). As Gibbons (1998) suggested, it is becoming increasingly popular to link higher education with commercial and industrial sectors in terms of knowledge production and innovation. Such moves are then coupled with internal reward structures within universities, that increasingly differentiate between staff in areas where such alliances are more achievable (engineering, chemistry, agriculture), and those in areas where it is much more difficult (languages, history, philosophy, etc.). University managers are very much concerned with how their institutions can become more competitive in the open education market. Successful presidents therefore (those who can play the game very well) can lead their institutions to gain more external grants and perform well in the open 'marketplace'. This may, in turn, itself have flow-on effects, in terms of being able to attract more fee-paying international students, or more research-active academic staff (Welch, 1997a and b), despite perhaps at the same leading their universities further down the path of an economically conceived globalization (Welch, 2002; Welch and Denman, 2001). Indeed, most vice chancellors, or presidents, of sizable universities now read university league tables keenly, to check on their perceived status relative to their peers. They also believe that their success is heavily related to whether they can make their universities as the most competitive in the 'open competition' (Tight, 2000). Indeed, in an era of performance management, where explicit objectives are written into contracts, institutional leaders are increasingly measured in just these terms.

The impact of marketization and corporatization is not unique to higher education. In school settings, too, more and more management-

oriented reforms have been initiated, to improve the 'quality' of education, although it has been argued by some that this term too has been made captive to new and more economistic reform agendas (Welch, 2000a, 2002). Whether these management-focused measures indeed promote higher quality education is not yet proven, although analysis of historical precedents (Callahan, 1962; Welch, 1998b), and contemporary reforms (Gewirtz, Ball and Bowe, 1995), cast considerable doubt on the often inflated claims of quality improvement which accompany such schemes. By contrast, what is clearly evident are increased pressures upon school principals and teachers, who need to undertake more paper work and administration, in order to convince the governing body that their schools are in good shape. The ever-increasing demands of externally imposed 'quality' schemes mean that, instead of devoting more time to 'quality teaching' (Tan, 1999; Tse, 2002), school administrators and teachers have to spend more and more time in preparing mission statements, vision building, testing for quality improvements among pupils (but without knowing that the quantitative tests which are almost always used, are actually a good indicator of quality education, in any real sense), and other management-related work.

Based upon the idea of 'academic capitalism' proposed by Slaughter and Leslie, we would argue what has been taking place in the university sector in different parts of the world is a global process of 'academic capitalization'. When analyzing how the education sector has been affected by the notions and practices of managerialism and market-oriented approach, we must understand that these are dynamic processes, occurring under specific, historically concrete conditions, rather than static situations. By this process of 'academic capitalization', we aim therefore, precisely to highlight just these changes and conditions, and to expose scenarios whereby professors and academics, as well as school principals and teachers, like other professionals, have gradually become involved in the market. Although the ways that teaching and administrative staff, at both schools and universities, are incorporated into the market differ from one institution to another, and from one region (Yang, 2000; Yang and Welch, 2000), or state to another, it is certainly possible to observe broad contours whereby professional and academic work has been patterned along 'market-driven' lines.

Using '*academic capitalization*' as our central concept, we focus our analysis of the impact of marketization and corporatization on educational restructuring in the Asia Pacific region. Our test cases comprise the public research universities and school settings, which still form the principal features of the educational landscape in the societies under

review, despite recent and ongoing privatization – an environment full of contradictions, in which faculty and professional staff are increasingly measured in terms of their human capital stocks, in competitive situations. Engaging in far more market-oriented activities in the areas of research, teaching and university governance, academics are becoming more like 'state-subsidized entrepreneurs'; while school teachers and principals are coming under immense pressure to satisfy different stakeholders, namely, students and parents, governing bodies, employers, and the government (Barnett, 1990; Gewirtz, Ball and Bowe, 1995).

A global paradigm: education and the marketplace

It is note-worthy that the economic rhetoric of individual rights and ideologies of 'efficiency' are gaining momentum not only in developed countries but also in the developing countries. Evident among many nations of East Asia and the Pacific region over the last decade or so, has been an educational reform agenda centreing around such notions as 'excellence', 'enhanced international competitiveness', 'quality', 'increasing system effectiveness', and the like. In the course of attempting to refashion education more directly to achieve national and international economic agendas, many countries have focused on aspects of education which are seen to impact most directly upon human resource development, for example, the reform of higher education systems, or the modernization of vocational education and training (see, for example, Jones, 1998; Welch, 1998a and b). Even in the Asia Pacific region however, an increasing emphasis upon 'doing more with less', 'total quality management', 'accountability', 'working smarter', 'devolution of financial planning' (but with a context of 'steering from a distance' or centralized state control) and the like, is often evident (Green, 1999; Mok, 2000a; Mok, Tan and Lee, 2000).

Recent research in Singapore, Taiwan, Hong Kong, Mainland China (Yang, 2000; Yang and Welch, 2000) and other Asian societies, as well as Australia (Welch, 1996), found that some similar reform measures have been adopted (Chan and Mok, 2001; Mok, 2000b, c), albeit in very different contexts. Governments in these societies are increasingly concerned about the role of education in improving the competitiveness of their countries, and their place in regional and global markets, therefore they are very keen to promote the idea of 'life-long learning' and 'quality education' in preparing their youth for the knowledge-based economy (Mok, 2000d; Mok, Tan and Lee, 2000). At the same time, these same governments increasingly promote comprehensive reforms

of their education systems, cutting down heavy curriculum, pushing for school effectiveness and launching various management-oriented reforms to improve education quality (Mok, 2000a; Mok, Tan and Lee, 2000; Tan, 1999; Tse, 2002; Weng, 2000).

Privatization of either whole, or parts of, educational institutions, or indeed sectors of education (and other areas of social activity), is often now an instrument of economic and social (including education) policy, as is a more user-pays philosophy in education (Mok, 1999; World Bank, 1995a, b). In many societies, including socialist states such as Vietnam and China, this has been part of a wider set of changes whereby foreign direct investment is encouraged; public sector activity has been pruned, often substantially; public sector wages held down, while private economic activities are encouraged within a climate of increasing deregulation; and the economy reshaped towards more export growth oriented industries, and away from state responsibility for areas of social policy such as health, transport, communications and education (see, Welch 2000a; Wong and Flynn, 2001). In turn, state ministries and other public authorities are increasingly subjected to efficiency principles, and made to compete, as though they were private industries (Welch, 1996, 1998b).

However, an uneasy relationship exists between such agendas, and notions of equality of access and outcomes. Evident among many systems of education over the past decade or so, and among societies more generally, is widening gaps between rich and poor. Income distribution has often become distinctly more uneven over the last decade or more, and the decade of the 1980s has been characterized as 'disastrous' for Sub-Saharan Africa, and a 'lost decade' for Latin America. In the face of a sharpening tension between increasing population and deepening economic difficulties, equality and access have often worsened, including in education.

In the Asia Pacific region, by contrast, the 1980s was a period of spectacular, sometimes turbulent, and often sustained economic growth in many countries, fuelled however, not merely by an increase in productive activity, but also by property and share speculation, and some dubious lending practices. More recently, countries such as Thailand, Indonesia, Korea and Malaysia have been sorely tested by the activities of international financial speculators, a development of which has been a substantial fall in both currency rates, and stock-exchange prices. Even an economy as robust as Hong Kong's has seen its stock exchange and dollar significantly devalue in recent years. While this may signal an end to the era of spectacular growth rates of the 1980s among several

of the countries concerned, there is as yet no sign of a re-evaluation of the policies sketched above; indeed it is arguable that the more constrained economic outlooks of a new century may signal an intensification of such policies in Asia and the Pacific, as elsewhere, against a backdrop of even sharper international economic competition.

Globalization, structural adjustment and education: convergent or divergent trends in the Asia Pacific region?

Despite the recognition by an increasing number of scholars and academics that globalization and structural adjustment has penetrated the education sector (Reimers, 1991; Arnove, 1997), there are many others who argue that the considerable convergence at the level of policy rhetoric and objectives has failed to provide sufficient evidence of systematic convergence at the level of structures and processes in different countries. As Green rightly puts it:

> Globalization theory itself, though often inspired and challenging, is uneven in its logical rigour and empirical grounding . . . As regards education, there is very little evidence across the globe that nation states are losing control over their education systems or ceasing to press them into service for national economic and social ends, whatever the recent accretions of internationalism. In fact the opposite may be true. As governments lose control over various levers on their national economies and cede absolute sovereignty in foreign affairs and defence, they frequently turn to education and training as two areas where they do still maintain control.
>
> (1999, p. 56)

Similarly, other scholars also argue that different nation states have chosen varied approaches and diverse ways to control the tide of globalization (Dale, 1999; Green, 1999; Mok, 2000b), while many others adopt a more critical attitude towards the impact of globalization (Currie and Newson, 1998; Hirst and Thompson, 1999). Based upon his empirical studies of East Asia and Europe, Green (1997) argues that the futuristic scenarios often outlined by the tide of scholarship on globalization are somewhat overdrawn and unconvincing. While believing that globalization does represent a new set of ideas, rules, and practices that may affect education policy-making, Dale (1999), too, finds it difficult to accept that all countries will respond to the so-called global tide in the same ways, and that they would interpret those rules in identical ways. As Mok argues elsewhere that even though the trend of

marketization and privatization has considerably affected education policy in Mainland China and Hong Kong, the two governments have actually interpreted those rules differently. Even though their coping strategies seem to be similar in nature, the ideological basis of each, and the ways they play the rules of the globalization game are varied (Mok, 1999, 2000b). Further work suggests there are immense pressures and intensified tensions between the global and regional, just as between the regional and local (Gopinathan, 1999; Mok, 2000c), while still others have found evidence that regional strategies can even assist institutions in positioning themselves globally (Yang, 2000; Yang and Welch, 2000).

Although it is difficult to make generalizations about how the processes of globalization discussed earlier have shaped the patterns, trends and models in educational development in the Asia Pacific region, since each society may have its own stage and own speed of development, different comparative studies of similar kind have reported some interesting patterns and trends common to the development of education in the region. Some of the typical ones are as follows:

- the reestablishing of new aims and a national vision for education;
- the expansion and restructuring of education;
- the search for effective schools and quality education;
- the assurance of education standards and a quality education;
- the use of market forces and the balance between education equality and encouraging of competition to promote excellence;
- the privatization and diversification of education;
- the shift to decentralization and school-based management;
- the emphasis on the use of development planning and strategic management; parental and community involvement in school education; the use of information technology in learning and teaching; the development of new curricula and methods of learning and teaching; the changes in examination and evaluation practices;
- the search to enhance teacher quality;
- the need for continuous professional development for teachers and principals. (Cited in Cheng and Townsend, 2000, p. 319)

Similarly, the rise of the knowledge economy has generated new global infrastructures that information technology has played an increasingly important role in the global economy. The popularity and prominence of information technology has unquestionably changed the nature of knowledge, and is currently restructuring higher educa-

tion, research and learning. The changes in the socio-economic context resulting from the globalized economy have inevitably led to changes to higher education. As we are heading into an age of communication and information, there is a strong need to rethink about the nature of knowledge and the way education is run. Since we have successfully conquered the challenges of moving from a quality education system for a few people to having a quality education system for most people in the past few decades, what we are now confronting is a move from having a quality education system for most people to developing a quality education system for all. Thus, notions such as 'lifelong learning', 'learning society', continual education have become increasingly popular (Townsend, 1998).

The chapters in this volume

Given the arguments developed above, how have the contributors to this volume assessed the influences and effects of globalization upon education in their national case studies? In this chapter, we have discussed how the process of globalization and structural adjustment has affected education in the Asia Pacific region, with particular reference to the increasingly popular ideas of post-modernism, economic rationalism and managerialism, and their impact on public sector management. The authors argue that education, being part of the public service/policy sphere, is by no means immune from the influence of these ideas and practices. This chapter charts the conceptual framework for the book by linking recent episodes of educational restructuring in the Asia Pacific region to the global tide of management-oriented reforms and ideologies.

Chapters 2 to 10 focus on studies on selected countries. We have chosen nine case studies to illustrate how socio-economic and socio-structural changes in these places have caused changes to the education sector. Tan's chapter poses questions about ongoing and future challenges and dilemmas facing Singapore's education system as it moves into the twenty-first century. Tan reviews and examines several key policy initiatives such as 'Thinking schools, learning nation', the 'Masterplan for information technology in education' and the revised university admission criteria. Tan is very critical about these reform measures and he deeply reflects upon whether the proposed reform measures can really promote creativity and innovation. At the same time, Tan also examines issues and policy implications when Singapore's education has increasingly gone 'marketized'. Looking into the deeper

side of such educational change, Tan examines social cohesion and points out the persistence of policy challenges and dilemmas with regard to ethnic and social class disparities in educational attainment. He even believes such disparities are threatening to widen as Singapore's economy becomes further intertwined with the global economy.

Mok, Yoon and Welch's chapter on Korea outlines a more interventionist approach to globalization than has been common, for example, in either Australia or New Zealand. Recognizing that the twenty-first century was to be characterized by increasing global competition based on ideas and knowledge, the government in Korea has moved to invest in education, via programmes such as BK (Brain Korea) 21. Despite the aftermath of the severe economic downturn caused by the regional economic crisis (Korean Trade and Investment, 2000), it was decided to invest US.1161.2 billion in education, a significant portion of which was to be within higher education. A key strategy has been to mobilize the resources of the diaspora (Choi, 1995; 1999; Koo, 2001; UNDP, 2001; Welch, 2001b), offering internationally competitive salaries to induce Korean expatriate scholars and researchers to return and deploy their skills in the national interest. As a result, the proportion of Korean engineers in the USA who were planning to stay, fall from around 61% in 1980 to 28.7% in 1990. The proportion for natural scientists fell from 56.5% to 41.3% over the same period (Choi, 1999). No doubt the substantial rise in research and development expenses over much the same era (from 0.4% of GDP in 1975 to 1.9% in 1990), as well as enhanced linkages between Korean universities and those in other countries (Koo, 2001) also helped induce many skilled technicians and scientists to return. This chapter also reflects upon the effects of globalization on Korean higher education policy and finds that the Korean Government is able to shape its own educational agenda despite the fact that educational development has been increasingly affected by the growing impact of globalization.

Law's chapter on Taiwan also challenges some of the conventions of convergence that are often associated with globalization discourses, arguing that localization is a powerful feature of reforms in Taiwan. Like Singapore, PRC and Malaysia, Taiwan can be seen to be among the more 'strong state', interventionist regimes of the Asia Pacific region; it has made the most of a more deregulated trading environment, while at the same time being careful not to antagonize its powerful near neighbour the People's Republic of China (PRC). Taiwan actively intervened in the globalization process where necessary, to reinforce Taiwanization (or as it is often called indigenization), as a means of shaping its national iden-

tity. Specifically, Law shows how the Taiwanese regime promoted a new national identity via education, with much less emphasis on direct political orthodoxy in the curriculum, and paralleled by the abolition of compulsory military training for male students, ongoing support for maintenance of Chinese traditional (pre 1949) arts and crafts, and greater support for local aboriginal languages within school.

In Mok and Wilding's chapter, they have chosen a theme 'the quest for quality education' by reviewing and examining the reform measures and strategies that the Government of Hong Kong Special Administrative Region (HKSAR) has adopted to promote quality education in this city state. In order to maintain and even to make Hong Kong more competitive in the global market economy, the HKSAR has allocated additional resources to promote quality education. With the intention of promoting better performance in the education sector, the HKSAR has adhered to the principles and ideas of managerialism, hence educational management and governance has become increasingly marketized. By 'marketization' here, they refer to the way that education is managed. Notions like 'efficiency gain', 'productivity gain' and quality assurance are becoming popular in educational management and governance in Hong Kong. Most important of all, this chapter argues that despite the changing modes of governance and the changing role of government in education in Hong Kong, the HKSAR has taken a far more decisive role in education even though the government may not play the key role as provider of education services. By acting as the 'regulator' and 'overall service coordinator', the government can easily exercise its control over resource allocation and quality assurance. Seen in this light, national government still plays a very significant role in education policy-making even in the context of globalization.

Ngok and Kwong's analysis of contemporary educational reforms in China points to strategies of decentralization and marketization as indicative of moves towards economic globalization in education, from around the mid-1980s. This restructuring of education intensified in the 1990s, and has included the gradual removal of the former state monopoly in education (Mok, 1997), a diversification of educational funding, the reform of curricula towards market demands, the introduction of greater competition between institutions, and the depoliticization of education. Effects have included an explosion of *minban* (or private) education, and moves to greater self financing by students (Mok, 2000b). Within the higher education sector, system-wide (and sometimes problematic) institutional mergers have occurred, in the interests of supposed greater overall effectiveness, while universities have also

been given greater autonomy for both institutional goals, long-term planning, as well as finances. Indeed, substantial reductions in state support have meant that universities have needed to diversify their funding significantly, via tuition fees (including where possible, from overseas students), and establishing commercial ventures, often in partnership with industry. These reforms have proceeded within an overall context of a growing gap between rich and poor in China. While by no means at an end, educational restructuring has clearly been oriented at developing greater competition, and aligning the education system, including curricula, more closely to the emerging market economy.

Toh and Floresca-Cawagas' analysis of contemporary reforms in Philippines' society and education, based on an agenda of structural adjustment and economic globalization, partly under the influence of agencies such as the World Bank and IMF, underlines that the expansion of education does not equate with an increase in quality (see also Welch, 2000b). Indeed, they show that problems in regard to the quality of teacher training, as well as wastage along class and gender lines, remain profound and have been aggravated by policies to substitute local and private sector funding for government funds. The impact of economic globalization and structural adjustment, with its familiar policy agenda of

> rapid economic growth, albeit not always sustainable . . . ; export-oriented projects/programmes; an open-door policy to foreign investment . . . ; increasing foreign debt; rapid exploitation of natural resources; commercialization of agriculture (especially agri-business); and accelerated urbanization.
>
> (Toh and Cawagas in this volume, p. 195)

has in fact rapidly widened the gap between rich and poor (see also Bello, 1999; Bello *et al.*, 1982). The impact on indigenous minorities, rural dwellers and urban poor has been, they argue, particularly savage, while the local elites and TNCs exploited the deregulatory regime to enrich themselves further still. The Philippines economy suffered badly from the ripple effects of the Asian currency crisis of the late 1990s. As a result, GDP and GNP growth rates, which had been high in the mid-1990s, tumbled to almost zero by mid-1998.

Whereas economic globalization and structural adjustment are seen as having exacerbated problems of quality and equality in education in the Philippines, David Ayres argues that in Cambodia, ravaged by the brutalities of the Khmer Rouge, education was seen principally in terms of its human resource development potential, and was in turn part of

a wider set of structural adjustments made to Cambodian society. The net effects of such moves towards a market economy, and an ideology based on development, have been

> an ever widening gap between the poorest and the richest members of Cambodian society [and] by an increased reliance upon family and household contributions to finance the impoverished education system.
>
> (Ayres in this volume, p. 233)

Ayres makes some important distinctions however, in pointing to several features of Cambodian society and education. The phenomenon of localization denoted the substantial amendment of common elements of the economic globalization agenda in light of Cambodia's socio-political milieu. (There is evidence of similar processes at work in the neighbouring state of Vietnam). In practice, what this meant was that, although the Cambodian government signed formal agreements to pursue programmes of structural adjustment in education, and accepted the funds that were subject to such agreements, it 'effectively ignored' the implementation. This, coupled with political instability (Ayres, 2000), has led to profound and ongoing difficulties, some of which Ayres argues were more a result of continuing corruption, and a failure to implement structural reforms, including greater transparency, by the Cambodian elite. Certainly, the widening gap between rich and poor in Cambodia, according to Ayres, is associated with local 'adjustments', which while broadly paralleling IMF agendas, was more in tune with the 'entrenched political culture' of Cambodia. Either way, the impact of such reforms meant that increasingly, poorer students, rural dwellers and women, who could not sustain the impact of an increasing move towards individual fees and other costs, simply dropped out.

Peters on New Zealand, and Welch on Australia, analyze examples of educational reforms in what have been called Anglo-American democracies, in the Asia Pacific zone. It has been argued that these countries, (as well as the UK and the USA) have moved further and faster to implement programmes of economic globalization and structural adjustment than their Asia Pacific neighbours. Indeed, Peters argues that New Zealand represents something of a model – albeit not of how to implement such reforms (some years ago, it was rather voguish to refer to New Zealand in this sense) – but rather of the socially and educationally regressive outcomes that occur when such programmes are rigorously pursued. Both authors' case studies focus on the profound shift from a welfare state with its key motifs of social welfare and egalitarian

democracy to something more like a 'competition state' (Cerny, 1990; 1997; Yeatman, 1994), where the only justification for interventions by the state is in order to enhance economic competitiveness. This sea change in the role of the state, more thoroughgoing in New Zealand than in Australia, was justified by a dubious assumption of an association between greater economic and greater political freedom, something that marginal groups in each country, now further behind their peers than ever, would find hard to accept. In both states, what is called neo-liberalism by Peters, and is often called economic rationalism in Australia (Pusey, 1991), has come to hold sway, justifying moves towards privatization, devolution, and deregulation, including in education. The final decade and a half of the last century saw both states, particularly New Zealand, preside over 'the creation of an underclass in a country that did not have one before'; 'a neo-liberal poverty trap' (Peters in this volume, p. 325), in which education is no longer a social good, but an economic good for which the user must pay. Welch sees economic globalization as having become a paramount value in Australia over this same period, resulting in a substantial decline in investment in education, and a major shift of funding from the public to the private sector. The examples cited highlight, according to Welch, the contradictions of structural adjustment programmes, leading to corroding infrastructure, decreasing staff morale, and less rather than more capacity and competitiveness. 'It is a particularly savage irony, that appeals to "quality" are often deployed to justify such policies' (Welch in this volume, p. 289).

At the end of the book, Welch and Mok conclude the discussions by stressing how complicated the globalization processes are. In relating educational restructuring to globalization and structural adjustment, the authors argue that the 'Washington Consensus', characterized by the key principles of structural adjustment hinge around key notions such as promoting fiscal discipline; reordering public expenditure priorities; reforming the tax system; liberalizing the financial system, as well as the trade system; privatizing state enterprises; floating exchange rates; deregulation of business and the economy; and enhancing property rights, have indeed shaped educational policies and developments in the Asia Pacific region. Educational restructuring, being guided by such adjustment principles, have fundamentally altered the way that education is run and managed. This concluding chapter also chooses a theme 'deeper development or division' by examining how processes of globalization have intensified education disparities in the region. Contrasting and comparing education disparities situations in the Asia

Pacific region, Welch and Mok argue the disparities in education has been intensified during the processes of globalization, hence deepening division instead of promoting development.

Putting all chapters of this volume into perspective, another major observation deserving attention is that even though it seems to have similar patterns/trends in education change in the Asia Pacific region as that of elsewhere, our discussions and case studies above lead us to conclude that the common contextual factors, particularly the increasingly popular global trend of decentralization and marketization, seem to have considerably shaped the education policy throughout the world. There are a lot of changes in common in the education sector in the Asia Pacific region and that of elsewhere, which suggests that educational developments in these selected societies have been affected by the similar trends of marketization and decentralization. But before we jump to this conclusion, maybe we should also bear in mind an alternative hypothesis that local factors are crucial and determinants for changes. Therefore, the considerable convergence at the policy rhetoric and general policy objectives may not satisfactorily explain the complicated processes of changes and the dynamic interactions between global–regional–local forces that shape education policy-making in individual countries (Dale, 1999; Green, 1999; Mok, 2002). Instead, a close scrutiny of the transformations and reforms in education of these Asian Pacific societies has revealed similar trends but diverse political agenda of individual nation states/places.

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2
Reflections on Singapore's Education Policies in an Age of Globalization

Jason Tan

The start of the twenty-first century appears to be an exciting time in Singapore. There is constant talk of the need to re-examine old ways of thinking and doing things and of the concomitant need for creativity and innovation. Education policy has been a prime instrument for the fostering of both economic development and social cohesion ever since the ruling People's Action Party (PAP) came to power in 1959. It is therefore unsurprising that education policymakers, schools, principals, teachers and students are being swept along in a literal tide of newly launched policy directives.

This chapter poses questions about ongoing and future challenges and dilemmas facing Singapore's education system as it moves into the twenty-first century. This chapter focuses on the ways in which schools are being urged to foster creativity and innovation in order to enhance national economic competitiveness in the global economy. It examines several key policy initiatives such as Thinking Schools, Learning Nation, the Masterplan for Information Technology in Education, and the revised university admission criteria. It raises troubling and thought-provoking questions about the launching of these initiatives. At the same time, questions are raised about the move towards the marketization of education, as manifested for instance, in the independent schools scheme, the autonomous schools scheme and the push for intense inter-school competition. In addition, this chapter also looks at social cohesion and points out the persistence of policy challenges and dilemmas with regard to ethnic and social class disparities in educational attainment. These disparities are threatening to widen as Singapore's economy becomes further intertwined with the global economy. The chapter concludes by summarizing several key challenges

and dilemmas in education policy-making in the early years of the twenty-first century.

Towards creativity and innovations?

The growth of the global economy has added urgency to calls to upgrade education and training as prime sources of national economic competitiveness (Porter, 1990; Stewart, 1996). Several authors have asserted that the survival of a nation within the global economy will depend increasingly on the ability of its citizens to enhance their skills and market them in the global market (Drucker, 1993; Ohmae, 1995). In addition, having a highly skilled labour force will be crucial in order to attract international capital investment in a nation's economy (Marshall and Tucker, 1992; Reich, 1992; Stewart, 1996).

The Singapore government can certainly be said to have taken these calls seriously. There has always been a conscious attempt on the part of policymakers to tailor the education system to perceived economic needs. Such efforts received added impetus in the wake of the 1985–6 economic recession. An Economic Committee recommended the education of each individual to her/his maximum potential, and the development of creativity and flexible skills in order to maintain Singapore's international competitiveness in the global economy (Ministry of Trade and Industry, 1986). The need for creativity and innovation was repeated in a report by the Economic Planning Committee in 1991 (Ministry of Trade and Industry, 1991). Once again, the schools have been called to play a major role in bringing about this change (Lee, 1996).

'Autonomy, independence and competition' or perhaps 'marketization'

A major thrust in the quest for creativity and innovation has been the growing marketization of education since the mid-1980s. The main manifestations of marketization have been increased school autonomy as well as increased inter-school competition. The first Minister, Goh Chok Tong spoke in 1985 of the need to allow more autonomy within schools, and of giving schools the right to appoint staff, devise school curricula and choose textbooks, while conforming to national education policies such as bilingualism and common examinations. Goh asserted that prestigious schools had lost some of their individuality and special character through centralized control.

In 1986, 12 school principals were invited to accompany the Education Minister to study the management of 25 'acknowledged successful schools' in the United Kingdom and the United States of America, and see what lessons could be learned for Singapore. The principals' report recommended greater autonomy for selected schools in order to 'stimulate educational innovation' and to allow schools 'to respond more promptly to the needs and aspirations of pupils and parents' (Ministry of Education 1987, p. ix).

Accepting the recommendations, Education Minister Tony Tan stated that several well-established schools would be allowed to become independent schools. They would be given autonomy and flexibility in staff deployment and salaries, finance, management and the curriculum. These schools were to serve as role models for other schools in improving the quality of education. They would also help to set the market value for good principals and teachers by recruiting staff in a competitive market. Parents, teachers and students would enjoy a wider variety of schools to choose from.

In 1987, three well-established boys' secondary schools announced their intention to go independent in 1988. Their applications for independent status were approved by the Education Ministry. They were followed a year later by two prestigious government-aided girls' secondary schools. To date, a total of eight secondary schools, all of which are well-established and prestigious, have become independent.

The independent schools scheme may be viewed as part of an attempt by the government to pass a greater proportion of the costs of operating social services such as education and health to the public. The policy aims to lessen government subsidies and to make Singaporeans more self-reliant. The government has been careful to avoid using the term 'privatization' with its connotations of 'profit-making'. Its position is that the government will continue to subsidize basic education, but that the public will have to help bear the cost of high quality education. What is interesting is that existing education subsides are not straining the government's budget, as it continues to enjoy healthy budgetary surpluses.

Right from the introduction of the independent schools scheme, there was intense public criticism over its elitist nature and the high fees charged by the schools. In the wake of the 1991 general elections, which saw the governing party returned to power with a reduced parliamentary majority, the government took steps to defuse public criticism of the scheme. One of these steps was the establishment in

1994 of a new category of schools called autonomous schools. In the first three years, 18 existing non-independent secondary schools, all of which had outstanding academic results, were designated as autonomous schools. These schools are supposed to provide a high quality education while charging more affordable fees than independent schools. Parents and students will thus have a wider range of choices.

The Ministry of Education announced in early 2000 its intention to allow about 25 per cent of all secondary schools to become autonomous schools. These schools must have a track record of outstanding academic results, well-rounded education programmes and strong community ties. The principals of autonomous schools will be allowed discretion to admit up to five percent of their students on the basis of demonstrated talent in specific niche areas such as sports or the arts (Teo, 2000).

Another major initiative to foster greater autonomy for all principals is the Education Endowment Scheme that was launched in 1993. The government deposits part of its annual budgetary surpluses into an endowment fund. Part of the fund may be used to provide annual per capita grants to all schools. These grants may be used, among other purposes, to introduce enrichment programmes for students. In addition, each Singaporean between the ages of six and 16 receives an annual grant that may be used to pay for enrichment activities and extracurricular activities organized by schools.

A second feature of the growing marketization of education is the stress on competition among schools. Besides improving the quality of education, competition is supposed to provide parents and students with a wider range of choices and to improve accountability by forcing schools to improve their programmes (Goh, 1992). This competition has been fostered in various ways. For instance, all secondary schools and junior colleges have been publicly ranked on an annual basis since 1992 and the results have been published in the various local newspapers. The official justification is that parents and students must be provided with better information in order to make intelligent and informed choices (Goh, 1992; Parliamentary Debates, 64, 1 March 1995, col. 27). Secondary schools have been ranked on three main criteria. The first of these is a composite measure of students' overall results in the annual General Certificate of Education (Ordinary) Level examinations. The second measure evaluates schools' value-addedness by comparing students' examination performance with their examination scores upon

entry to their respective schools. The third criterion is a weighted index that measures a school's performance in the National Physical Fitness Test as well as the percentage of overweight students in the school.

The promotion of inter-school competition and the pressures on schools as a result of the ranking of schools have led many principals to engage in marketing activities. These include recruitment talks, the design and distribution of brochures, the screening of promotional videos and the courting of the press in order to highlight school achievements. Even primary schools are engaging in these activities, with principals reaching out to parents of kindergarten students.

Curriculum

On the curricular front, three major initiatives have been launched in the closing years of the twentieth century in a bid to foster greater creativity and innovation in students. Government statements make it clear that these initiatives are necessary as part of national efforts to remain economically competitive amid the transition to a knowledge economy. The first of these, Thinking Schools, Learning Nation, was launched by Goh Chok Tong in June 1997. It focuses on developing all students into active learners with critical thinking skills, and on developing a creative and critical thinking culture within schools. Its key strategies include: (1) the explicit teaching of critical and creative thinking skills; (2) the reduction of subject syllabi content; (3) the revision of assessment modes; and (4) a greater emphasis on processes instead of on outcomes when appraising schools (Ministry of Education, 1997b). A start has been made in the implementation of these strategies in all schools.

The second initiative, the Masterplan for Information Technology in Education, was also launched in 1997. It is an ambitious attempt to incorporate information technology in teaching and learning in all schools. The government has been generous in its pledges of support as far as physical infrastructure is concerned. Whole-school networking is to be installed in all schools. In addition, one computer is to be available for every two students and one notebook for every two teachers. The Masterplan specifies a target of up to 30 per cent for the use of information technology in curriculum time for all subjects by the year 2002 (Ministry of Education, 1997b).

The third and most recent major initiative focuses on university admission criteria. The Committee on University Admission System recommended in its 1999 report that the admission criteria move

beyond considering only the results obtained in the General Certificate of Education (Advanced) Level examination. Instead, students' results in the Scholastic Assessment Test (I), their results in project work at school and their participation in extra-curricular activities will be considered as well in the case of Advanced Level applicants. Applicants who possess a polytechnic diploma will be assessed on their results in the Scholastic Assessment Test (I) as well as their performance in extra-curricular activities. The Committee hoped that the revised criteria would promote 'desired' qualities such as curiosity, creativity, enterprise, and teamwork. At the same time, the revised criteria were supposed to complement the Thinking Schools, Learning Nation strategies being implemented in primary and secondary schools (Committee on University Admission System, 1999).

When one considers the various strategies and initiatives that have been employed by the Education Ministry in order to foster creativity and innovation, one cannot but be struck by the sheer scale of these ambitious plans. All schools, principals, teachers and students are to be included in these plans. Now that these plans have been put in place in schools, it might be worth commenting on these strategies and initiatives, and raising a few thought-provoking questions. For instance, to what extent will these ambitious strategies and initiatives result in a genuine flowering of creativity and innovation in schools and students? Are there any deep-seated dilemmas that need to be addressed?

To date, the results of increased school autonomy have been mixed. The principals of independent schools have enjoyed greater flexibility in decision-making in a few respects. First, a few independent schools have recruited additional full-time administrators such as public relations officers, estate managers and bursars. Secondly, the independent schools are run by school governing boards which may determine admission policies, school fees and major financial policies and budgets. Thirdly, all the eight independent schools have raised their fees to levels far above those charged by non-independent schools. Finally, they are able to determine their own student admission figures.

The independent schools have also exercised greater control over the curriculum. For instance, several independent schools have scrapped subjects that are compulsory in non-independent schools or have made certain other subjects non-examinable. Teacher recruitment is another area in which the independent schools have taken advantage of their increased autonomy by recruiting as many teachers as their finances will allow.

However, in some other respects the degree of choice and diversity is

still rather limited. The government still exerts a great deal of influence over all secondary schools. In particular, the imposition of national curricular requirements and the pressures imposed by common national examinations, restricts the scope for curricular innovation. None of the independent schools or autonomous schools has moved away from a subject-based curriculum. In addition, the range of subjects offered in these schools is largely identical to that in non-independent, non-autonomous schools. As long as principals are held accountable for their schools' performance in national examinations, they cannot afford to stray too far from the mainstream curriculum.

The introduction of explicit measures to promote competition among schools has aroused a great deal of controversy and criticism, both within and outside the governing party. For instance, the then Senior Minister of State for Education told Parliament in 1992 that public ranking of schools in terms of their academic results was 'undesirable'. It was 'absurd' and 'nonsense' to say that one school was ahead of another because of minuscule differences in their overall academic results. It would also increase tension and stress among parents while not improving education for children at all (Parliamentary Debates, 59, 13 March 1992, cols. 991–992). However, the results of the first annual ranking exercise were still published five months later.

It is highly contestable whether fostering competition does improve the quality of education for all students and promote greater choice and diversity for parents and students. First of all, the competition among schools does not take place on a level playing field. The terms of competition are to a large extent dictated by the government. For instance, the number of independent schools and autonomous schools is determined by the government. Next, non-independent schools enjoy less flexibility than independent schools in determining their own enrolment figures or the number of teachers that they wish to employ. Furthermore, not all secondary schools may offer certain prestigious programmes such as the Gifted Education Programme or the Art Elective Programme. The government only conducts such programmes in selected schools, all of which are either independent or autonomous.

In other words, non-prestigious, non-academically selective schools are simply unable to compete effectively with well-established, academically selective schools. The former are caught in a vicious cycle: because they are unable to attract high academic achievers, their academic results fall far below those of the well-established schools. This in turn means that they remain unable to attract high academic achievers. Analysis of the ranking results for secondary schools over the last

eight years reveals that the majority of the top 30 secondary schools have remained in this category throughout the eight years. It is therefore questionable as to what extent increased competition actually helps to improve standards in all schools.

The government has claimed that the independent schools and autonomous schools will serve as role models for other schools in improving educational standards. This of course begs the question of whether what proves effective in these well-established schools can in fact be transplanted into other schools. The government's reasoning also ignores the part played by a selective student intake in schools' academic success (see for instance, Thrupp, 1998). It is therefore not clear to what extent the experience of independent schools and autonomous schools can be valid lessons for the bulk of Singapore secondary schools, struggling with less-than-ideal student ability and motivational levels.

Another criticism is that competition leads some schools to focus narrowly on those outcomes that are relevant for public ranking and that may be useful for attracting students and parents (see for instance, Reay, 1998, for a discussion of the situation in England). Such a criticism is especially relevant in a situation such as Singapore where performance in competitive examinations is still a major determinant of educational and social mobility. There has been press coverage of how several reputable secondary schools have decided to make the study of English literature optional rather than compulsory for their graduating students. This is because English literature is perceived to be a subject in which it is difficult to do well during national examinations. These schools have been wary of the potential consequences that students' less-than-ideal performance in English literature might have on their positions in the annual ranking exercises (Nirmala, 1997; Nirmala and Mathi, 1995). It is particularly ironic, then, that these strategies were being employed even as the then Minister for Information and the Arts was extolling the virtues of the subject to students (de Souza, 1998). Even physical education has not been exempt from the adverse effects of ranking exercises. Some schools have over-emphasized preparation for the National Physical Fitness Test at the expense of the acquisition of skills in sports and games ('Physical Education', 1996). The growing stress on accountability and the use of narrowly defined, easily quantifiable performance indicators has clearly had a detrimental impact on some schools. Far from promoting choice and diversity, heightened inter-school competition and rivalry may in fact work against these goals.

Even though an external review team commissioned by the Educa-

tion Ministry has heavily criticized the detrimental aspects of the practice of school ranking exercises (External Review Team, 1997), the Education Ministry has refused to consider scrapping the exercises. Its response has been instead to broaden the range of indicators upon which schools are to be assessed, through the use of the School Excellence Model. This model, which was implemented in all schools in 2000, is meant to help schools appraise their own performance in various areas such as leadership, staff management, staff competence and morale, and student outcomes (Ministry of Education, 1999). It is arguable that the use of this model may result in some schools using more of the same covert strategies that they have been using thus far, this time in a wider spectrum of school processes and activities in order to boost their schools' performance in as many of the aspects that are being assessed as possible. For example, principals may narrow the range of available extra-curricular activities in order to focus the schools' resources on those activities that are considered more fruitful in terms of winning awards in inter-school competitions.

Amid this climate of risk-averse behaviour, what then are the prospects of wide-ranging and sustained change, as far as the teaching of critical and creative thinking skills, the incorporation of information technology into teaching and learning, and the promotion of project work as a form of assessment? Government leaders are united in lamenting the apparent lack of creativity and thinking skills among students and members of the workforce (see for instance, Goh, 1997b; Parliamentary Debates, 53, 20 March 1989, cols. 550–51; 55, 15 March 1990, cols. 310–11). In a sense, it is ironic that the government is aggressively promoting wide-ranging changes in the schools even as it touts Singapore's success in the Third International Mathematics and Science Study, a study that reportedly was 'not made up of typical examination questions that our pupils are familiar with. [The test items] assessed them on creative problem-solving skills and their ability to respond to open-ended questions' (Chiang, 1999, p. 70). A cursory glance at the subject syllabuses published by the University of Cambridge Local Examinations Syndicate (the body that organizes the bulk of the secondary and pre-university examinations for Singapore students) reveals careful attention to the cultivation of higher-order thinking and analytical skills. These include selection, organization and interpretation of data, the recognition of patterns and deduction of relationships in data, critical reading, detecting logical fallacies in arguments, evaluating the reliability and accuracy of material, and applying knowledge to problems that are presented in a novel or unfamiliar manner (see for

instance, University of Cambridge Local Examinations Syndicate, 1996, 1997a, b). It would appear that teachers have become rather adept in drilling and coaching their students to answer these higher-order questions very skilfully (see for instance, External Review Team, 1997, p. 25; Parliamentary Debates, 67, 30 July 1997, col. 1375; *The Sunday Times*, 22 March 1998).

Ever-improving examination scores in the national examinations are consequently beginning to sound less impressive (Lee, 1996; Nirmala, 1995, 1999b; Nirmala and Mathi, 1996). In this regard, it is ironic that a few months after the Prime Minister had stressed the need to move towards critical thinking skills, a departmental head in a secondary school, when asked by a newspaper journalist about the secret behind her students' examination success, replied that it had taken months of repeated mock examination practice. As a result of at least 12 rounds of practice per subject, students were familiar not only with the examination format but more importantly with the examination content as well (Pan, 1997).

The new moves to introduce more critical thinking skills and to introduce more project work will take place against this backdrop. The External Review Team has already pointed out that:

> instead of consistently and creatively incorporating the need for students to use thinking skills in classroom activities and daily assignments, teachers tend to resort to 'over-teaching' (teaching at a greater depth than required by the syllabus for a specific level) and 'over-drilling' (providing repetitive practice at answering higher-order thinking skills questions) to help students anticipate and prepare for such questions. . . . As such, higher-order thinking questions become predictable to a certain extent and less useful in testing the student's ability to think creatively and/or to apply skills learnt in one context to another.
>
> (External Review Team, 1997, p. 16)

Policy makers will have to realize that it is likely that new requirements, including the SAT (I), will be viewed by many teachers, parents and students as yet more hurdles or hoops to be cleared by employing yet more of the same strategies that have worked, namely, intensive and repetitive coaching and practice. These concerns have in fact been raised in Parliament (see for instance, Parliamentary Debates, 70, 17 March 1999, Cols. 1063, 1066). The intense competition among schools will see to it that a number of principals and teachers try their best, employ-

ing educationally suspect means on occasion, to ensure maximum success for their students even after the revised curricula and assessment modes have been put in place.

Towards social cohesion?

Besides its role in labour force production, education is recognized in most countries as an important vehicle of both social mobility and cultural identity. Even amid calls for education to help serve the cause of enhancing national economic competitiveness, there is recognition that the benefits of globalization will not be spread equally among various countries. Even within particular nations, rewards will be distributed unequally among different groups in the population (Kennedy, 1993; Reich, 1992). There is evidence that even in industrialized countries that have undertaken rapid educational expansion, inequalities in educational opportunity among students from different social strata have remained remarkably stable since the beginning of the present century (Shavit and Blossfeld, 1993). Such intra-national inequalities could have serious implications for social cohesion.

Ethnic disparities in educational attainment

Since the early 1980s government leaders have expressed open concern over ethnic disparities in educational attainment. The results of the 1980 population census revealed that the Malays, who constituted about 14 per cent of the total population, had had the largest percentage increases over the previous decade in terms of persons with at least a secondary qualification. However, the Malays were still grossly under-represented in the professional/technical and administrative/managerial classes of the workforce, constituting 7.9 per cent and 1.8 per cent in these two categories, respectively (Khoo, 1981b, p. 66). In addition, there were only 679 Malay university graduates, making up 1.5 per cent of the 44,002 university graduates in Singapore. Likewise, Malays made up only 5.7 per cent of those with an upper secondary qualification (Khoo, 1981a, p. 15).

In August 1981 the then Prime Minister Lee Kuan Yew urged Malay community leaders and educationists in the government service to give top priority to upgrading the educational level and training of the large number of Malays without a secondary school qualification. This effort was part of the national drive to improve educational levels so as to keep pace with the recently launched economic restructuring pro-

gramme, which involved moving away from labour-intensive industries to highly skilled ones. As a result of discussions between Malay Members of Parliament (MPs) and Malay community leaders, the Council on Education for Muslim Children (or Mendaki for short) was formed in October 1981. The formation of Mendaki was symbolic as it marked the first major collaborative effort between the Malay MPs and non-political community leaders. Furthermore, it represented a major break from previous government policies in the 1960s and 1970s. For instance, in 1970 the government had categorically rejected calls to establish a Malay Secretariat that would, among other things, make recommendations to the government on measures to narrow the socio-economic gap between the Malays and non-Malays (Tan, 1995).

In his opening address at the Mendaki Congress in May 1982, Lee Kuan Yew observed that 'it is in the interests of all [Singaporeans] to have Malay Singaporeans better educated and better qualified and to increase their contribution to Singapore's development' (Lee, 1982, p. 6). This statement was a clear acknowledgement of the fact that the Malays' educational and socio-economic problems posed a threat to national integration and political stability. In addition, Lee promised government assistance for Mendaki. Lee (1982) also stressed the importance of the Malays helping themselves when he said that 'a government-run scheme cannot achieve a quarter of the results of this voluntary, spontaneous effort by Malays/Muslims to help themselves' (p. 9).

Over the past two decades Mendaki's efforts to improve Malay/Muslim educational achievement have been concentrated in three main areas: (1) running tuition classes from primary to pre-university levels with a focus on preparing students for major public examinations; (2) providing scholarships, bursaries and study loans to students with outstanding public examination results and to those undertaking undergraduate and postgraduate studies; and (3) promoting Islamic social values that Malay leaders feel will promote family support for educational success (Tan, 1995). More recently, there has been growing emphasis on the need to provide skills retraining programmes for less educated members of the workforce.

Another organization called the Association of Muslim Professionals (AMP) was launched in October 1991. This group had been formed as a result of discussions at a convention of Muslim professionals in October 1990. Several professionals had felt that the credibility of Malay community organizations such as Mendaki was hampered because they were headed by Malay MPs. Like Mendaki, the AMP conducts several

kinds of educational programmes such as pre-school education, family education and skills training for adults. Like Mendaki, it receives financial and logistical assistance from the government.

The active government support of ethnically based groups in tackling the Malays' educational problems was extended to other ethnic communities in the early 1990s. By the late 1980s there was growing evidence that many Indian students were faring badly in their studies. Various sections of the Indian community, who make up slightly over 6 per cent of the total population, called for the establishment of an organization for Indian students along the lines of Mendaki (Tan, 1997). The government, together with community leaders, established the Singapore Indian Development Association (SINDA) in 1991 to tackle Indian educational problems.

In July 1991 the Prime Minister Goh Chok Tong urged the setting up of a 'Chinese Mendaki'. His suggestion received new impetus when the PAP failed to capture as many votes as they had expected in the 1991 general elections. The PAP saw the electoral outcome as an expression of discontent by poorer Chinese who felt neglected by the government focus on helping the Malays (Tan, 1997). Accordingly, the Chinese Development Assistance Council (CDAC) was established the following year. In October 1992, the Eurasian Association launched an endowment fund to finance education and welfare programmes for the Eurasian community. The government pledged financial support for the SINDA, CDAC and the Eurasian Association.

These government moves to establish more ethnically based self-help groups have raised questions about their compatibility with officially espoused multi-racial ideals. Besides fears about the heightening of ethnic differences, worries have been expressed by various quarters that the smaller organizations will simply be unable to compete with the CDAC, with its substantially larger financial resource base (Gopinathan, 1992; Lai, 1995; Lily, 1994, 1998; Tay *et al.*, 1996). Also, empirical research studies conducted by Mendaki, the SINDA and the CDAC have shown that many of the problems facing educational under-achievers are often closely related to their economically disadvantaged status. Research conducted by the government's chief statistician has demonstrated that intra-ethnic class differences have assumed greater significance as inter-ethnic income differences have narrowed. It has therefore been argued that since the problems facing under-achievers cut across ethnic lines, a more effective strategy might be to have a national body, instead of ethnically-based ones, to coordinate efforts to help educational under-achievers (Tay *et al.*, 1996).

The various criticisms levelled at the use of ethnically-based groups have so far failed to make any inroads in official policy. The government response has been threefold (see for instance, Goh, 1994). First, promoting these groups is not incompatible with multi-racialism as long as the groups reaffirm their commitment to multi-racialism and avoid competing against each other. To this end, the various organizations have launched several joint projects and pooled their resources on occasion. Secondly, a national body would not be sensitive enough to the special needs of each community. Lastly, and most important of all, community self-help is more effective because it draws on and mobilizes deep-seated ethnic, linguistic and cultural loyalties. It is stressed that civil servants can never have the same degree of personal commitment as community leaders who are driven by a sense of mission.

The latest available figures show the persistence of ethnic disparities in educational attainment. For instance, ethnic Chinese (who constitute about 77 per cent of the total population) are heavily over-represented in local universities and polytechnics, forming 91.4 per cent and 89.1 per cent of the respective total enrolments in 1995. Ethnic Malays (3.0 per cent and 6.9 per cent respectively) and Indians (4.7 per cent and 3.6 per cent respectively) are correspondingly under-represented (Department of Statistics, 1997, pp. 67–70). Despite the quadrupling in the number of Malay university graduates over the period 1980 to 1995, Malays constituted only 1.6 per cent of the total population of university graduates in 1995 (Department of Statistics, 1997, p. 87), a mere 0.1 percentage increase over the corresponding figure fifteen years earlier. Similarly, Malay and Indian students' public examination results continue to lag behind those of their Chinese counterparts. For example, 77.7 per cent of Chinese students obtained a minimum of five 'Ordinary' level passes in the General Certificate of Education (Ordinary) Level examinations taken at the end of secondary school in 1997. The corresponding figures for Malays and Indians were 46.0 per cent and 59.1 per cent respectively (A. Wong, 1998, p. 10). While Malay and Indian pass rates in public examinations have improved over the past decade, so have Chinese pass rates, with the result that the former continue to fall below the latter. There is evidence that the major bottleneck for Malays and Indians is at the end of secondary school (Department of Statistics, 1997, pp. 68–70). Especially troubling is the fact that this bottleneck means that the transition rates for post-secondary options for Malays and Indians (46.0 per cent and 57.3 per cent respectively in 1997) fall far below the corresponding rate for Chinese students (85.3 per cent) (A. Wong, 1998, p. 17). Equally worrying is the

fact that the gap between Indians and Chinese over the decade 1988–97 has remained steady while that between Malays and Chinese has actually widened from 29.2 per cent in 1988 to 39.3 percent in 1997.

These statistics are troubling amid the call in the government publication *Singapore 21* to make every Singaporean matter (Singapore 21 Committee, 1999). It cannot be helpful to have ethnic minorities lagging behind in educational attainment and subsequent occupational status. At the same time, resentments about these disparities may be compounded by continuing complaints about discrimination in the job market, especially during times of economic recession (see for instance, Parliamentary Debates, 70, 17 March 1999, cols. 1006–8).

A major challenge for the government in the coming decade will be the vexing question of how best to reduce these persistent disparities. The controversial nature of the whole question of ethnic disparities has been illustrated in the issue of *madrasahs* (privately-run Islamic religious schools). After a period of declining enrolments in the 1960s and 1970s, the *madrasahs*, which receive only nominal government funding, have begun enjoying increasing enrolments since the late 1980s (Salim, 1989; Zuraidah, 1998). Even though the actual percentage of Malay/Muslim children enrolled in these schools (3.5 per cent) is actually relatively low, government concern has been voiced over the possibility that students enrolled in these schools 'would not be able to integrate successfully into Singapore's social and economic system, or learn to cooperate and compete as part of the Singapore team, or think critically, or be discerning about ideas and people' (Koh, 1997).

In 1999, the Prime Minister called for schooling of at least four years to be made compulsory for each child. He felt that this move was necessary in order to ensure that every Singaporean received minimal preparation for the workplace. The debate over whether schooling ought to be made compulsory has been largely focused on the fate of the *madrasahs*. Government leaders have pointed out that the Malay community still lags behind in terms of educational attainment, and that the *madrasahs* are plagued by low success rates in national examinations and high student drop-out rates. In response to pleas that the *madrasahs* serve to produce religious leaders and scholars, the Prime Minister has asked the Malay community to decide how many religious leaders and scholars it needs, and whether the Malays would be better served instead by enrolling their children in schools that prepare them well in science and technology ('Issue', 2000). The Prime Minister has said that the *madrasahs* will be exempted from the national compulsory education framework only if they improve their pass rates in the

Primary School Leaving Examination (Ahmad, 2000). This controversy has also touched on the right of Muslim parents to choose a more religious educational alternative for their children ('Abolishing SAP schools', 1999; Ahmad, 1999; 'Islamic schools', 1998; 'Madrasah students', 1999; 'Madrasahs different', 1999; 'Madrasahs don't teach critical skills', 1999; 'Roots of SAP schools', 1999). When it was pointed out that some Muslim parents prefer the *madrasahs* because their daughters can then dress in more conservative Muslim attire, the Prime Minister claimed that 'the time is not right' for Muslim students in national schools to be allowed to do likewise. He felt that such a move would introduce 'religious practices' into national schools and undermine national cohesion ('Time', 2000). However, Goh neglected to account for the differential treatment accorded male Sikh students, who are allowed to wear the turbans which are a distinctive mark of their religious faith. Clearly, questions of cultural identity, equality of treatment and equality of outcomes cannot be easily disentangled.

Social stratification and education policy

Official PAP ideology speaks of Singapore as a meritocratic society, in which socio-economic advancement is independent of one's home background and is instead dependent on one's ability and effort (see for instance, Chua M. H., 1996). This is also one of the key messages within the National Education initiative. However, this ideology sits uneasily at times alongside a deeply entrenched elitist conception of how Singapore society should be structured. Lee Kuan Yew articulated this clearly in a speech to school principals in 1966, when he spoke of the need for the education system to produce a 'pyramidal structure' consisting of three strata: 'top leaders', 'good executives' and a 'well-disciplined and highly civic-conscious broad mass' (Lee , 1966, p. 13). The 'top leaders' are the 'elite' who are needed to 'lead and give the people the inspiration and the drive to make [society] succeed' (p. 10). The 'middle strata' of 'good executives' are to help the elite 'carry out [their] ideas, thinking and planning' (p. 12), while the 'broad mass' are to be 'imbued not only with self but also social discipline, so that they can respect their community and do not spit all over the place' (p. 13).

 Furthermore, the predominant belief of the top government leadership is that success in the education system is dependent on intelligence, which is in turn largely genetically determined. Thus, for instance, Lee Kuan Yew spoke in 1983 of the threat posed to Singapore's future if well-educated women failed to marry and to reproduce them-

selves adequately as compared to their less-educated counterparts. There was a brief and unsuccessful attempt in 1984 to entice married female university graduates to have more children by providing priority in school admission for their third or subsequent offspring. Despite the failure of this policy, the Ministry of Education has on several occasions in the 1980s and 1990s released data showing that the children of mothers who are university graduates outperform the children of mothers who are not university graduates (see for instance, Fernandez, 1994). As Chua (1995, p. 63) points out, ' 'meritocratic' inequality is unapologetically accepted as a consequence of nature'.

The introduction of streaming in both primary and secondary schools since the early 1980s has serious implications for future social stratification. For instance, secondary school students are channelled into one of four streams upon entry to secondary school. Students in the Normal (Technical) stream, who have obtained the lowest scores in the Primary School Leaving Examination, follow a highly watered-down curriculum compared to students in the other three streams. These students formed 13.8 per cent of the total secondary school cohort in 1998 (Ministry of Education, 1998, p. 34). Not only do they study fewer subjects, the content of each subject is considerably pared down. Thus, for example, they are merely expected to develop oral proficiency in the 'mother tongue' languages, while their peers in the other three streams are expected to develop written skills as well. Consequently, mobility between this stream and the other streams is limited and becomes increasingly difficult as students progress through secondary school. Whatever the merits of streaming based on academic achievement might be, it is worth pondering whether the children of these students will in years to come be disadvantaged in the academic competition against the children of better-educated parents.

The instituting of the independent schools scheme in 1988 has serious implications for class-based inequalities as well. Amid public criticism over the allegedly elitist nature of these schools, the government has tried to dispel the notion that non-independent schools are inferior to independent schools (Parliamentary Debates, 63, 25 August 1994, col. 398). At the same time, though, it intends to develop the independent schools into 'outstanding institutions, to give the most promising and able students an education matching their promise' (Parliamentary Debates, 59, 6 January 1992, col. 18). Growing inter-school competition and the associated trend of increased selectiveness by top schools (Tan, 1998) will inevitably lead to a further stratification of schools along the prestige hierarchy. There is also evidence that students

from wealthier family backgrounds are over-represented in the independent schools (Tan, 1993).

Several observers have pointed to the growing prominence of social stratification on the government's policy agenda, especially in the wake of the 1991 general elections (Chua, B.H., 1996; Rodan, 1993, 1996). Whereas the issue of income stratification was largely taboo in public discussions up till 1991, there has been growing acknowledgement on the part of the government since then of the potential impact of income disparities on social cohesion. For instance, Goh Chok Tong has acknowledged that not all Singaporeans stand to benefit equally from the global economy. He has also pointed out that highly educated Singaporeans are in a more advantageous position compared to unskilled workers and that there is a great likelihood of widening income inequalities and class stratification (Goh, 1996a, 1997b). The latest available government data show a widening income gap between the highly-skilled and the workers at the bottom of the wage ladder (Nirmala, 2000). Goh has drawn an explicit link between income inequalities and the need to maintain social cohesion. However, Goh thinks that 'we cannot narrow the [income] gap by preventing those who can fly from flying. . . . Nor can we teach everyone to fly, because most simply do not have the aptitude or ability' (p. 3). Instead, he has suggested a greater emphasis on worker training so as to ensure that unskilled and semi-skilled workers will not lose their jobs as a result of multinational corporations moving their labour-intensive operations to countries with abundant and relatively inexpensive labour costs. Social cohesion, Goh has pointed out, 'is not just a political objective. It actually makes good business sense. Social harmony motivates people to work hard' (Goh, 1996b, p. 17). It is likely that increasing social stratification will continue to be a politically sensitive issue for the ruling party for the immediate future (see for instance da Cunha, 1997; Rodan, 1997).

Another pressing worry for the government is how to satisfy the consumerist demands and material aspirations of the growing middle class (Chua and Tan, 1995). Since the mid-1980s, access to higher education has widened tremendously. By the year 2000, more than 60 per cent of each age cohort is to be enrolled in local universities and polytechnics. This massive expansion of a better educated citizenry is also cause for official concern. For instance, in 1996 Lee Kuan Yew commented that:

> thirty years of continuous growth and increasing stability and prosperity have produced a different generation in an English-educated middle class. They are very different from their parents. The present

generation below 35 has grown up used to high economic growth year after year, and take their security and success for granted. And because they believe all is well, they are less willing to make sacrifices for the benefit of the others in society. They are more concerned about their individual and family's welfare and success, not their community or society's well being.

(Lee, 1996, p. 30)

That same year, Goh Chok Tong lamented the lack of knowledge of Singapore's recent history among many students (Goh, 1996c). Goh called for National Education to be introduced to all schools in order to 'engender a shared sense of nationhood, an understanding of how our past is relevant to our present and future' (p. 7). One reads in these statements by Lee and Goh several key messages. First, there is concern that an increasingly affluent and materialistic population will not be able to satisfy their desire for car ownership and bigger housing amid rising costs of both cars and housing (Lee, 1996). A second concern is whether the population will translate their dissatisfaction with unfulfilled material aspirations into votes against the PAP. Students are therefore to be informed through National Education about Singapore's limited land area so as to try and persuade them that it is not possible for everyone to own a car and to own landed property. Next, there is also concern that social cohesion may suffer should the economy falter and fail to sustain the high growth rates of the past few decades. Lastly, highly educated individuals are more geographically mobile and may be tempted to leave Singapore if they are dissatisfied with their living conditions (see for instance, 'Looking to the Future', 1999, p. 34).

What is interesting is that different emphases in the National Education programme are being planned for students in various levels of schooling. For instance, students in Institutes of Technical Education are to 'understand that they would be helping themselves, their families and Singapore by working hard, continually upgrading themselves and helping to ensure a stable social order. They must feel that every citizen has a valued place in Singapore'. Polytechnic students are to be convinced that 'the country's continued survival and prosperity will depend on the quality of their efforts, and that there is opportunity for all based on ability and effort'. Junior college students, most of whom are bound for university, must have the sense that 'they can shape their own future' and must appreciate 'the demands and complexities of leadership' as future national leaders (Ministry of Education, 1997a, p. 3). One sees in these messages clear and unmistakable signs of the strati-

fied view of society espoused by Lee Kuan Yew more than 30 years ago. It is interesting to speculate whether there are tensions between such a stratified view on the one hand, and notions of a more participative society, on the other, in Singapore 21, where different talents are valued and where definitions of success are broadened beyond the confines of the academic domain.

Although the government is aware of the potential impact of social stratification on social cohesion as well as on its own political legitimacy, it shows no signs of bowing to pressure on such issues as independent schools and greater inter-school competition. This is part of its urging of all Singaporeans not to allow 'our children to be softened' by the alleged denigration of academic excellence and the promotion of a 'soft approach to life' by 'liberals in the West' (Goh, 1992). It continues to insist that the education system is fair as it is based on merit. Also, it claims that it is only right to nurture the more able students as the whole country will ultimately benefit (Parliamentary Debates, 59, 16 January 1992, col. 365). Equality of opportunity is what counts, not equality of outcomes (Goh, 1997a; Parliamentary Debates, 66, 22 May 1996, cols. 331–43).

This last argument ignores the fact that school children in Singapore do not bring equal resources to school (see for instance, *The Straits Times*, 1 June 1996). At the same time, access to primary school is not entirely meritocratic either. The difficulty in drawing up school admission criteria that fulfil policy objectives and satisfy competing demands from different sectional interests has meant that school criteria are highly dependent on parental background. Examples of these criteria are those relating to alumni status, parental employment in the school, voluntary service to schools, religious or clan affiliation, or community leadership. Persistent parental perceptions that not all schools offer equal life chances to their children result in more prestigious schools being over-subscribed. There were press reports in the early 1990s of parents being asked to make donations to schools in order to secure admission for their children (Davie, 1992a, b). On a slightly different note, not all primary schools offer instruction in the Tamil language, thus raising questions of equality of access (see for instance, Wong, C. M., 1998). As long as these perceptions are present, primary school admission policy will continue to provoke considerable controversy each year over questions of fairness and social mobility.

A recurring concern for the foreseeable future will be the overlap between ethnic- and class-based disparities (see for instance, Siti, 1999). The Malay and Indian minorities, especially the former, will continue

to form a disproportionately large percentage of the lower income strata and correspondingly small percentage of the higher income strata. There is sufficient cause for concern that these disparities will not narrow as the effects of economic globalization make further inroads into Singapore society. For example, Malays' median individual monthly income was 0.85 times that of the corresponding Chinese figure in 1990 but this figure declined to 0.78 in 1995 (Department of Statistics, 1997, p. 29). Once again, this phenomenon will have serious implications for the success of the National Education initiative as well as the Singapore 21 vision. Only if and when all citizens, not only the more economically advantaged, perceive that their life chances as well as those of their families, are equal to those of other citizens can there be a genuine opportunity for efforts to instil a sense of equal ownership in Singapore's future to succeed. The open commitment by the government to develop every child's full potential and to provide equal opportunities for every child to succeed in life will be severely tested in the years ahead. Another challenge will revolve around whether the dramatic upward social mobility that has been experienced by an entire generation will be repeated as the current privileged classes and elites attempt to consolidate their own position (Rodan, 1997). A balance will also have to be sought between entrenched views about the role of genetic endowment *vis-à-vis* environmental nurturing in students' overall personal development. If policy makers strongly believe, for instance, that ethnic differences in educational attainment or aptitude are largely genetically determined (see for instance, Richardson, 1992), then this belief will in turn have serious implications for how policy makers think about the limits to the potential of different groups.

More recently, a new dimension has been added to the discussion about life chances and social mobility with the recent government advocacy of the importation of foreign talent (see for instance, Teo, 1997). These foreigners will be recruited not only at the level of the workforce but also at the level of the schools (see for instance, Fernandez, 1997). The growing influx of non-Singaporeans has met with resentment among some Singaporeans who perceive, correctly or otherwise, that this influx can only mean increased competition for education and other social services. In addition to managing public perceptions regarding the desirability of importing foreign talent, government policy makers will also have to grapple with the implications of expanded immigration on the development of a national identity (Yap, 1999). Schools will have to deal with the task of socializing new immigrants alongside their Singaporean counterparts. In this regard, there will be a

parallel task of coping with those Singaporeans who live and work outside the country in conjunction with the strategy of encouraging an external wing in the Singapore economy. Efforts are already being made to ensure that the children of these Singaporeans are able to re-adjust to schooling in Singapore upon their return to the country. These efforts will doubtless need to continue for the foreseeable future.

Concluding thoughts

This chapter has reviewed several key policies and initiatives and has raised areas of concern as well. The Singapore government continues to be ambitious in its plans to use education as a key linchpin in its efforts to promote economic development and social cohesion. Despite the often purposeful and zealous manner in which policies are pronounced, this chapter has demonstrated that it is by no means the case that policy implementation and outcomes are unproblematic and uncontroversial. Several issues will continue to bedevil policy makers for the foreseeable future. One of these is whether all the various policy strategies aimed at promoting creativity and innovation will succeed. There is the prospect of teachers, parents and students merely treating the new assessment modes and subject matter as yet more hurdles to be cleared in the same way as the current hurdles have been crossed. Other dilemmas related to the tension between diversity and conformity, such as those brought about by the ranking of schools, will continue to trouble schools.

The challenges and dilemmas involved in managing a culturally diverse, and now increasingly class-stratified population will not prove an easy task either. Policies that have a bearing upon individuals' life chances and social mobility, especially as the global economy threatens to widen income disparities, will remain contentious. Ethnic and class based disparities in educational attainment show no signs of diminishing in the early years of the twenty-first century and will continue to strain the ingenuity and resolve of the government.

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3
Globalization's Challenges to Higher Education Governance in South Korea

Ka-ho Mok, Kiok Yoon and Anthony Welch

Introduction

Korea has undergone a series of educational reforms, but the most comprehensive education reform was started in 1993. With the intention of building an Ed-utopia (the promotion of an 'Education Welfare State'), where educational opportunities would be available to every citizen at his or her convenience to fully realize individual potential, 120 tasks based on four reform proposals were adopted to raise creative and talented citizens who would live in a highly competitive knowledge-based global village (Moon, 1997).

The current government, inaugurated in February 1998, made it clear that the general directions of the educational reform in the new government would be consistent with those of the previous government. In addition, the new government advocated the policy goal of a 'parallel development of democracy and a market economy'. South Korea will be moving towards more neoliberal and individualistic views of society, while education is to be centreed on quality and high productivity. It is worth noting that democracy and social justice have been emphasized at the same time, which will inhibit somewhat the advancement of economic and market-framed education policies, but which is argued by some to be inevitable in the Korean context, where people's enthusiasm for education is extremely high.

This chapter reflects upon the effects of globalization on the national policy, with particular reference as to how South Korea has transformed its higher education systems, particularly under the global tide of marketization and decentralization. There are many common changes in the higher education sector in South Korea, Hong Kong, Singapore, Taiwan, and the West. This suggests that higher education develop-

ments in South Korea have been affected by a similar trend of global-ization. But before we jump to this conclusion, we should also bear in mind an alternative hypothesis that local factors are crucial in determining changes. More specifically, this chapter will focus on examining how the South Korean government has reformed its higher education systems in response to the growing impact of the global tide of marketization and decentralization.

Centralized model for governing higher education in the pre-reform period

The contextual factors that we have discussed in Chapter 1 can be seen as the common contextual variables shaping the educational reforms and higher education policies in all societies in the Asia Pacific region. In addition to these common challenges, the recent educational restruc-turing in South Korea is also affected by its unique socio-economic and socio-historical–political environments. Hence, a better under-standing of higher education reforms in these societies can be obtained by analysing the interactions between the global–regional–local forces/factors. Let us now turn to the policy background for higher education and major reform strategies adopted by the South Korean government. The final part of the chapter will examine the policy implications for the recent Korean higher education reforms.

Before the government's initiatives to reform the higher education systems in the mid-1990s, the higher education sector in South Korea had long been strictly regulated and governed by the Ministry of Edu-cation (MOE). After a comprehensive review of South Korea's education systems, OECD concludes that 'Korea has a unique education system characterized by much larger private sector representation and invest-ment, and a relatively small publicly financed sector compared to other industrialized nations. In the past three decades, the government has, through its highly regulated and centralized governing system, attained remarkable educational achievements' (OECD, 2000, p. 57). Before education reforms were initiated by the government in the mid-1990s, the relationship between the government and individual schools could be conceptualized in the following way:

> education policy in Korea, for the most part, had been based on the premise that the individual interests of parents, students, and educators should be subordinated to broader public policy objectives. Priority had long been given to the interests of the government and

administrators who support and provide services, rather than to the interests of those who teach and learn in the classroom. Centralized administration, far from playing a service role, dominates the main sectors of education – teachers, students and parents. The school has been in a subservient position, serving its master, the administrators.
(Y. H. Kim, 2000, p. 89)

There is no denying that education systems in South Korea, long organized and operated according to rigid restrictions and uniform control, have not been able to respond to the changing socio-economic and socio-political contexts. With power centralized in the hands of MOE, local initiatives and autonomy were muted, and individual institutions lacked enthusiasm for a creative and rational approach to their operation. Their scope of self-control is so limited that individual institutions must be directed by administrative authorities. As 'passive' institutions, their students cannot be offered diversified education programmes. Under strict orders and directives, teachers indeed have little autonomy while participation of parents in school education is so limited. Similarly, students have little opportunities to develop their own interests, talents, or creativity (Y. H. Kim, 2000, p. 89).

As education is seen as a means to serve the general good of society, Article 7 of the Education Law stipulates that all schools are the public instruments of the state and must be established in accordance with the standards provided by the relevant statutes. Working under such a legal framework, there is no doubt that institutional freedom is limited (J. Kim, 2000, p. 68). In fact, the MOE controlled a variety of university governance matters before the reform started in the mid-1990s, including granting approval to the establishment of higher education, stipulating detailed regulations governing programme design and curriculum design, appointments of personnel, student admissions policy, financing, budgeting and facilities, as well as setting academic standards.

Another area of control is related to reporting and audits. All institutions of higher education are required to submit periodically on government request, various reports covering nearly all aspects of their operations, including financing, staff personnel, and students. Government authorities also make audits on every institution, annually and as needed, on all aspects of the institutional operations (quoted and modified from J. Kim, 2000, pp. 70–71). Putting such observations together, we may well argue that the Korean government had adopted a centralized model in governing universities in South Korea.

Before the reforms started in the 1990s, the university sector in South Korea was found to be too rigid as a system to respond to the changing socio-economic and socio-political contexts. The socio-economic and socio-political changes resulted from the financial crisis in East Asia, together with the growing impact of globalization, and accelerated the need to make the Korean higher education system more creative, innovative and adaptive to pressures and challenges generated by the globalization processes.

Policy background of education reforms in South Korea

It is within the policy context outlined above that the government has provided the chance for the principles of market economy to take root in education, expanding the scope of choice for educational consumers, and greatly extending autonomy in school management, inviting competitions among schools, and systemizing school evaluation for quality control (Korean MOE, 2000c; Yoon, 2000).

The principles of the recently initiated education policies have brought changes to the education scene by shifting educational emphasis from:

- subject knowledge to nurturing moral character;
- standardization to autonomy, diversification, and specialization;
- provider to consumer;
- closed education occurring within the boundary of classrooms, to open and lifelong education;
- academic sectarianism to individual capability;
- quantitative growth to qualitative improvement. (Yoon, 2000)

In order to facilitate the nation-wide effort to implement the reform objectives, the Presidential Commission for the New Education Community (PCNEC) was established in June 1998. It has been promoting education reform by providing professional consultation, linking citizens and education officials, and encouraging active participation of the public (MOE, 2000c). Major functions of the PCNEC include reviewing and evaluating progress made by education reform; launching campaigns and training activities as necessitated by the education reform movement; motivating local citizens movements for education reform; directing national awareness campaigns for the new education community; reviewing key issues in educational reform as requested by the

President. With the establishment of PCNEC, the Korean Government has shown its determination to reform its education systems. The reform procedures have focused on:

- A bottom-up process encompassing all of the stakeholders including teachers, parents, and community figures;
- Classrooms and schools where education takes place;
- A civil movement stimulating the participation of citizens across various social strata;
- Accountability and effectiveness, via evaluating the outcomes of education.

It is in such a wider policy context that the Korean government has started reforms in the higher education sector. Now let us turn to higher education reform in South Korea.

The policy context for Korean higher education

In spite of remarkable achievements in education and in the quality of its basic education, the South Korean government has recognized that depending upon the existing higher education system alone can never meet the challenges and intensified pressures generated by processes of globalization. Acknowledging the fact that the existing system was developed to serve the needs of the organization of production in an industrial society, there is now a strong need to reform the higher education system to cope with challenges of the growing knowledge economy. The new knowledge economy requires a different type of organization of production, whereby the relationships between worker and work, worker to worker, and worker to consumer have changed. In the knowledge economy, an education system needs to promote and facilitate people to engage in lifelong learning. The call for 'continual learning' leads to a fundamental paradigm shift in education from providing basic skills to developing core skills, encouraging creative and critical thinking for problem-solving, and developing specialized skills for specific professional careers and tasks. In addition to the external/global drive for reform, South Korea was hit severely by the East Asian financial crisis, and the poor work habits and lack of problem-solving ability among the Korean elites were clearly revealed in the post-crisis period (Kwak, 2001, pp. 8–9).

Having identified the core problems, the Korean government openly acknowledges that the existing education system has failed to equip the

society with autonomous capacity to solve the problems by itself (Kwak, 2001, p. 12). In his Liberation Day address on August 15 2000, President Kim Dae Jung specified the necessity of the national task of nurturing autonomous capacity in the Declaration for the Second Nation-Building (Kwak, 2001, p. 3). He pinpointed that the key to the Second Nation-Building is to nurture individual citizens civic character and capacity that are creative and responsible (Kwak, 2001, p. 4). He has followed the basic structure for higher education reform established by the President Commission on Education Reform (PCER) in 1995, and deepened structural reforms in Korean's education systems (Park, 2000a, p. 149) (PCER is renamed PCNEC, and its functions have also been changed).

To address the problems outlined above, the government has devised various reform measures to transform the higher education sector. Central to the higher education reforms proposed by PCER are diversification and specialization of the higher education front (OECD, 1998, pp. 46–7). To allow more diversity and speciality, individual institutions are now given more autonomy to develop their own programmes in order to make their own niche in the higher education market (Kwak, 2001, pp. 4–5; OECD, 1998, p. 47). Reform strategies along the lines of deregulation and decentralization, diversification and specification are adopted, thus causing changes to higher education governance in South Korea (Moon, 1997; OECD, 2000). The following will examine the strategies and method the Korean government has adopted to reform its higher education in terms of provision, financing and regulation.

Changing governance in South Korea's higher education

(1)   Provision

At present, up to 80% of higher education institutions in Korea are private schools (MOE, 2000a, p. 48). In 2000, there were 135 private institutions out of a total of 161 higher education institutions in South Korea (KEDI, 2000, p. 188). However, the high proportion of the development of the private sector in higher education shows that the South Korean government has not allocated sufficient resources to promote the development of higher education and that parents have been heavily burdened with tuition fees (Table 1; OECD, 2000, p. 62). Having acknowledged the importance of the role of higher education in the increasingly globalized economy, and the importance of making its higher education system more creative and adaptive to rapid socio-

Table 1   Type of higher education institutions in Korea
by foundation

Year	Total	National	Public	Private
1990	107	23	1	83
1995	131	24	2	105
1997	150	24	2	124
1998	156	24	2	130
1999	158	24	2	132
2000	161	24	2	135

Source: KEDI (2000) p. 188

economic changes, the government has decided to allocate more public
funds to finance higher education.

Although there is a high proportion of private universities in South
Korea, they have closely followed the national model, in particulr,
copying the curricula and structure of the top-ranking university (i.e.
Seoul National University). Under the Education Law, all higher educa-
tion institutions, whether public or private, come under the direct
supervision of the MOE (MOE, 2000a, p. 67). Individual institutions
therefore lack autonomy in their management and academic affairs,
including student quotas, qualification of teaching staff, curriculum,
degree requirement and other related academic and administrative
matters. As a consequence, many universities simply copy existing
models with the result that Korean universities and colleges are fairly
uniform (Park, 2000a, p. 160).

Realizing that the higher education system is too rigid to respond to
the external social and economic changes, the government has made
various attempts to diversify and specialize the Korean higher educa-
tion system. One of the reform strategies is the launch of Brain Korea
21 (hereafter, BK21), which aims to formulate the creative and advanced
knowledge-based environment necessary for the twenty-first century
by improving the quality of graduate programmes and encouraging
research activities. More specifically, the major objectives of BK21 are:

> fostering world-class research universities which will serve as infra-
> structure to produce ideas and technology that are creative and
> original, strengthening the competitiveness of local universities, and
> introducing professional graduate schools to train professionals in the
> field, creating an environment where universities compete with each

other not based on name value, but based on the quality of research outcomes and students performance.

<div align="right">(quoted from MOE, 2001)</div>

Four subject areas are covered in the project, namely Applied Science, Art and Social Science, Korean Indigenous Science and Newly Emerging Industries. A total budget of U.S. $1.2 billion is expected to be invested between 1999 and 2005 for the project (MOE, 2000a, p. 174). On the one hand, by enhancing the research capabilities of graduate schools in various research areas, domestic institutions are able to achieve diversification in selected academic disciplines. On the other hand, by providing intensive support for graduate schools, professors and graduate students can concentrate on research activities without an overload of additional work (MOE, 2001). This enables graduate schools to focus on particular research areas in order to specialize their professions.

Another measure adopted by the government in response to the call for 'lifelong learning' is to diversify the provision of higher education by introducing a Credit Bank System in vocational education. This system enables people who are unable to attend regular universities to obtain tertiary education by accumulating credit points acquired at different institutes. People can also take part-time courses at any higher education institutions to obtain credits. Flexibility in this system guarantees people's right to access learning, through a diversification of ways of learning (Lee, Baik and Seo, 2000).

Provision of distance teaching is also an area being diversified. Before the reforms began in the mid-1990s, the previous Higher Education Law prohibited the private sector and conventional universities from establishing single-mode or dedicated virtual universities, although offering virtual courses is permitted (Jung and Rha, 2001, p. 34). In order to make the Korean higher education more outward-looking and comparable to the universities in other parts of the globe, the government initiated a Virtual University Trial Project in February 1998, aiming to develop and implement web-based courses or other types of distance education course. It encourages partnership among universities and the private sector, and the sharing of existing resources in order to create a cost-effective virtual education system without diminishing quality (Jung and Rha, 2001, p. 34). Fifteen virtual entities, including seven consortia (formed by 65 universities and five companies) and eight conventional universities, have participated in the project. In short, the introduction of the Virtual University Trial Project has diversified the provision of distance learning, which was previously monopolized by the Korea National Open University (KNOU).

(2)   Financing

The funding for higher education in Korea comes from tuition fees, government aid, grant and research contracts, endowments, and other sources. Among these sources, Korean universities and colleges rely heavily on student tuition fees for financing university education. Tuition fees account for about 80% of the budgets of private colleges and universities and about 45% of the public institutions' budgets. Corresponding figures for the MOE supports are 20% and 55%, respectively (OECD, 1998, p. 52; Park, 2000a, p. 170). This situation is not expected to change in the near future with the introduction of market principles into the higher education system, and with the recent economic crisis in Korea (Jung and Rha, 2001, p. 32). To effectively use all the education resources, the government has attempted to deregulate the Korean education market by encouraging healthy competition.

Since the 1990s, the government has introduced competition into higher education finance by requiring all colleges and universities to compete for substantial portions of government funds based upon their performance. The distribution of such funds is in accordance with evaluation results. To accompany the granting of autonomy, universities and colleges are being pushed to increase their responsiveness to the needs of the market. This means that the quality of their own education becomes the essence for the survival of higher education institutions in the now highly competitive world (OECD, 1998, p. 50). In other words, these deregulation efforts helped to develop a higher education market with an atmosphere of competition among various universities, faculty and departments.

To diversify university education, students are encouraged to choose universities regardless of their high tuition fee. In turn, the government has provided direct financial aid to private institutions since 1990. By 1994 government aid had reached 2.4% of the university budget, although the 10% goal had not been reached (Park, 2000b, p. 109). In 1995, government aid to private universities amounted to 166 billion won or about 1.3% of the national education budget (Park, 2000c, p. 139). In addition, the government also provides private institutions with aid in the form of grants for specific programmes and purposes (e.g., expansion of science laboratories and libraries). Since 1990, private universities and colleges have been awarded categorical grants as well as funds to improve facilities. Both of them are expected to improve the quality of facilities that can be shared by more than one institution (Park, 2000b, p. 117). Currently, private universities are cooperating vigorously to create the University Development Fund as a means of

solving their financial problems. In addition, they are demanding that the government give them permission to institute a donation-based admission policy (OECD, 1998, p. 52). Such new financial arrangements for private higher education institutions reduce the financial burden for students attending private institutions. It maintains equity for students' choice in order to achieve diversification in university enrolment.

(3) Regulation

Over-regulation has been a problem of the tertiary education in Korea over the years. As mentioned above, both private and public higher education institutions lack autonomy in their management and academic affairs, with government regulations constraining them in the recruitment and payment of staff, student enrolments and admissions, fee levels, and so on (OECD, 2000, p. 62). As a result, deregulation has been a focus of Korean education reform. To increase the autonomy of universities and colleges, the government has revised the Education Act and related regulations to allow individual institutes to choose their own development plan (OECD, 1998, p. 51).

Providing managerial autonomy in admissions

The university entrance examination system was criticized for causing the entire education system to become examination-driven and memorization-oriented (OECD, 2000, p. 62; Park, 2000a, p. 166). To innovate this situation, autonomy of individual institutions has been enhanced via deregulation in university admissions. In 1998, the government introduced performance-based evaluation, which allows universities to develop their own admission criteria and to apply a performance-based student selection system rather than a pure test scores-based one (OECD, 2000, p. 62).

Under the new system, public universities use the Student Complex Achievement Records (SCAR) as the main source of data on which to determine admission. The SAT (a scholastic aptitude test modelled after the one used in the United States), arithmetical scores, writing, interviews, and other sources of evidence have now become optional. The SCAR changes the student evaluation system from a relative evaluation towards a more detailed one, as it records the achievement level and class standing in each subject, instead of simply a total score. Moreover, the SCAR provides a comprehensive evaluation by including academic transcripts and class standing by subject, aptitude and special abilities in subjects, attendance, extracurricular activities, social service activities, certification, participation in contests, awards and personality from

grades one to twelve. To protect institutional autonomy, individual institutions can choose the items they want and decide on the value of each subjects and item (Park, 2000a, p. 167).

Private institutions have also been authorized to determine their own admissions policy on the basis of three principles. First, to prevent elementary and secondary schools being preparatory institutions for the university entrance examination, admissions policy should be geared to the standard curriculum of Korean elementary and secondary schools. Secondly, the burden of expenditure on private tutoring for parents should be reduced under the new admission system. Thirdly, public announcement is required when a school implements its new admissions policy, to ensure that students and parents have enough time to prepare (Park, 2000a, p. 168). These principles mean that admissions policy of private institutions should not substantially differ from those at public universities.

Furthermore, higher education institutions are able to admit students at any time of the year. In the past, universities and colleges could allow new admissions only at certain periods permitted by the government. This limited students' choice, and meant a clash of dates, since many schools concluded their admission interviews or examination on the same day (Park, 2000a, p. 168). The new policy increases the flexibility of schools' admissions schedules, so both schools and students have more options. This helps to achieve diversification in the university admission system.

These changes in the admission system are causing a great impact on the funding of higher education. As many universities and colleges in Korea rely heavily on student tuition fees, the total number of students hence greatly affects their revenue. Since the reform gives individual institutions the right to determine their enrolment, institutions can increase their income by raising their own enrolment (Park, 2000c, pp. 136–7). This represents an empowerment of individual institutions in terms of university admission and finance.

Evaluation and accreditation system

The current system for university evaluation and accreditation in Korea has been implemented since 1992 (Park, 2000a, p. 168). An independent non-governmental legal entity, the Korean Council for University Education (KCUE), is responsible for accreditation of all four-year colleges and universities. The MOE would provide financial aid to those institutions with positive evaluation result. To encourage specialization in selected fields and also curriculum diversification, assessments

are carried out at both departmental and institutional levels. Then government financial aid would be given to each department or school instead of university or college (OECD, 1998, p. 50; Park, 2000c, p. 137).

However, to protect institutional autonomy, a new self-evaluation system was proposed by the PCER. It suggested that the government urge institutions to conduct a general self-evaluation annually and a comprehensive evaluation of research and teaching every three to four years (OECD, 1998, p. 50). In addition, the government, the KCUE, or a higher education evaluation organization consisting of representatives of industry, students and parents should evaluate higher education institutions and programmes, and also survey the satisfaction level of students and parents every one or two years (Park, 2000a, p. 169). This policy allows institutions to control their quality of research and education, as the MOE would provide financial aid in accordance with both internal and external evaluation results (OECD, 1998, p. 50).

(4) Internationalizing higher education

Higher education has been acknowledged as an important means to increase competitiveness in a context of globalized economies and knowledge societies. As a result, education reform has aimed to make the university increase productivity, emphasizing quality, performance, excellence, and productivity. In accordance with the policy goal of 'pursuing diversification and specialization by extending autonomy and competition and thereby enhancing productivity', strategies to enhance the autonomy, diversification, and specialization of universities have been emphasized (Yoon, 2000).

In order to make universities in South Korea more international-ized, the Korean Government has adopted different reform measures to promote quality research in the university sector. In terms of financial support, efforts have been made to provide research-oriented universities and local universities with substantial financial support, to help them produce quality human resources equipped with the professional capability that meets the demands from different sectors of society. Additional research grants and funding have been allocated to universities to set up research centres for conducting quality research, with the intention of enhancing the research capacity of universities. In a sense, the Korean Government has been instrumental in making efforts to facilitate universities to become centres which produce world-class knowledge and scientific technology by substantially boosting support for research funding. For the purpose of providing universities with

academic information, the Korea Education and Research Information Service (KERIS) was established in July 1999 (MOE, 2000b).

In 1999 the Ministry of Education launched a reform project for higher education. The project is called Brain Korea 21 (hereafter BK 21), which aims at fostering world-class scholars in research to found the creative and advanced knowledge base necessary for the twenty-first century. The project is geared to re-engineering the overall higher education system to meet the challenges of the twenty-first century (MOE, 2000d; Yoon, 2000). The major objectives of the proposal can be described as follows:

- Fostering world-class research universities which function as infrastructure in producing original knowledge & technology, and promoting specialization of local universities.
- Introducing professional graduate schools to cultivate professionals in various fields.
- Transforming the higher education system to facilitate competition among universities based on the quality of their students and academic outcomes.

The project has provided intensive support for professors and graduate students so that they can concentrate on research activities. To help professors concentrate on research, graduate schools are offering exclusive professorships without an overload of other additional work, and with reduced teaching loads. Graduate students are to be granted financial support for tuition, living costs and expenses for overseas studies.

The research topics covered in this project are classified into four subject areas: Applied Science, Art and Social Science, Korean Indigenous Science and Newly Emerging Industries. The Korean government will invest a total of $1.2 billion over the next seven years, starting from 1999. The government has also started a project to nurture regional universities that meet the demands and needs of local industry with 285 million dollars for seven years, beginning from the year 1999. The overall goal of the project is to develop specialized programmes in each regional university that will be highly competitive internationally so that these universities may attract students. This project may also contribute toward the goal of decentralizing the overwhelming student interest in entering colleges in the Seoul area.

Funding for each task area was provided through a rigorous evaluation of universities and colleges. Applicants for the fund must form either a research team within a university or a consortium among uni-

versities. The main selection criteria were the capacity of the university to perform world-class research and education, and willingness to carry out education reform. Through this project, the government expects the development of three to four internationally renowned research universities in high technology, fostering highly qualified human resources who will lead the twenty-first century knowledge-based society; and, in addition, substantial improvement in research results. Presently 73 universities, 4,300 professors, and 25,000 graduate students are participating in the BK21 Project.

Since granting more and more autonomy to higher education institutions, the Korean government is seeking to manage the quality of education by encouraging competition among universities. This is stimulating faculties to improve their educational services to students, and to manage their quality of education through self-initiated strategies.

Discussion

(1)   Globalization discourse justifying local political agendas

Similar trends of globalization have shaped higher education developments in societies elsewhere. But the above discussion has offered an alternative conclusion that educational development is primarily national in character since local factors are crucial and determining factors for changes. More importantly, the nation states/local governments still enjoy autonomy and they exercise authority to direct higher education reforms in their countries. The continual questioning of the state capacity in the context of globalization has inevitably drawn people to believe the state is reduced to the role of the 'night-watchman state' of classical liberalism, hence only taking care of law and order, protecting the sanctity of contract, and maintaining the minimum level of welfare to protect those really poor and vulnerable and facilitating the free operation of the market. Moreover, the reformulation of modern states has led some scholars to believe that the modern states have to play the roles of 'facilitator', 'enabler', 'regulator' and 'builder of market' (Ma, 1999; Sbragia, 2000) and new public management is characterized by 'governance without government' (Rosenau, 1992). In this connection, it seems that the capacity and the role of nation states have changed in the sense that they have become less autonomous and have less exclusive control over the economic, social and cultural processes and distinctiveness of their territories (Giddens, 1998).

Nonetheless, the discussion above has underlined that, even though broadly similar strategies have been adopted by the South Korean government in reforming its higher education system, the domestic forces for reform are of crucial importance. The analysis above shows that the recent higher education reforms are a result of the specific social, economic and political changes in South Korea in recent years. The impact of globalization may have accelerated the need for reform but we should not conclude that the recent higher education reform in South Korea have been simply directed or orchestrated by the global forces alone. As Hallak (2000) rightly suggested, modern states may tactically make use of the globalization discourse to justify their own political agendas or legitimize their inaction. Analysing the current education developments in South Korea from a public policy perspective, we find that the Korean higher education reforms are pursued within the context of managing state-building (or government-capacity) and economic growth in a state-directed (or government-directed) paradigm of governance rather than any attempt to dis-empower the state/ government. In addition, the Korean higher education reforms can be interpreted as deploying the strategies adopted by the government to cope with problems of political and bureaucratic governance, instead of problems of purely severe economic and social difficulties.

Of course, we cannot rule out the fact that what South Korea is currently facing is the growing impact of globalization; nonetheless we must not ignore the important local factors since the system has been too centralized and rigid to promote Korea's further development in such swiftly changing socio-economic and socio-political contexts. Even when we argue that the recent reforms initiated by South Korea are the consequence of the globalization processes, the above discussion has suggested that the presence of diverse national and local agendas have given different meanings to common management jargon and statements. If we accept diversity in domestic administrative agenda as the norm rather than the exception in global public management and governance, we may have a better reflection of the globalization impact. Perhaps, the usefulness of the globalization claim lies more in its rhetoric; such a globalization discourse is adopted to push for local political/policy agendas (Cheung, 2000; Pratt and Poole, 1999, pp. 540–3).

(2) State autonomy in response to global pressures

Our discussion has pointed out a very important observation that nation states like South Korea can still manage to exercise their auton-

omy to direct education reforms. Among East Asian societies, policies of decentralization have been adopted by Hong Kong, Singapore, Taiwan, Japan and even mainland China in the higher education sector in the recent years, to allow individual universities to have more autonomy, and be responsible for their own development plans (Bray, 2000; Cheng and Townsend, 2000). Nevertheless, the introduction of decentralization policies in higher education may not necessarily mean the state/government has retreated entirely from the higher education domain. Instead, these East Asian governments have taken a rather proactive approach to reviewing their higher education systems and instituted reforms to nurture more creative and innovative citizens for future development (Mok, 2001). Unlike the hyperglobalists' argument that the growing globalization trends will eventually weaken the capacity and lessen the autonomy of individual nation states, our study has suggested that South Korea can enjoy a considerable extent of autonomy and flexibility to direct and shape its own education reform agendas. One point which deserves particular attention here is that the mobilization of non-state actors/agents engaging in public policy provision may not necessarily weaken the position of the nation state. Contrary to hyperglobalists' arguments, the above discussion has demonstrated that institutionalized state–society linkages (i.e., the mobilization of non-state sources and actors to engage in education provision in this case) do not diminish the state's capacity to achieve better public management and social service delivery. As Weiss rightly points out, the problem of the institutional approach in conceptualizing the role of nation states in East Asian development is de-emphasizing the state role. He attacks those who would 'kick the state back out' and argues that 'in their haste to dispute the 'developmental state idea – to knock down the notion that the East Asian state is in some sense "strong" or distinctive – many recent studies fail to pay sufficient attention to the possible importance of cooperation in a theory of state capacity. The danger is that in trying to bring capital back in, the state is being marginalized or diminished, in a negative-sum manner' (Weiss, 1995, pp. 591–2).

Instead of marginalizing the nation states or minimizing the state capacity in the globalizing economy context, our discussion has also provided evidence of 'connectedness' between states and societies that not only generates additional resources for public/social policy provision but also strengthens nation states' capacity to regulate and manage public service delivery. The system of 'governed interdependence' or 'governed market' between state and business (Wade, 1990) and the 'social–political governance' model in the public sector (Kooiman, 1993)

may well illustrate the new relationships between nation states and other non-state sectors (market, community, family and individuals). Such interdependence and interactions between the state and other non-state sectors have empowered and strengthened the state capacity, thus accounting for the strong state intervention in the South Korean higher education.

In conceptualizing the processes of decentralization and marketization taking place in Korean higher education, we see that deregulating some major aspects of education has in fact increased a limited number of state powers and, in turn, strengthened the state's capacity to foster particular interests while appearing to stand outside the frame. As the major education service providers, what really changes the education sector of these societies is the different roles that the states/governments have played. All these developments suggest 'not only have changes in the nature of the state influenced the reforms of education, but the reforms in education are themselves beginning to change the way we think about the role of the state and what we expect of it' (Whitty, 1997, p. 302). As far as coordinating institutions are concerned in relation to different governance activities in education like funding, regulation and provision/delivery, the role of the state, market and community would normally be identified. The above discussion has suggested that although the nature of the state/government does change in a very broad sense, what is actually transformed is that the state is moving from primarily carrying out most of the work of education itself, towards determining where the work will be done and by whom. In terms of control, we also observe that the state may take different roles in different governance activities, thus varying the extent of state intervention. Comparative studies of education policies have repeatedly reported that while decentralization is usually understood as a form of decentralization, it can be a mechanism for tightening central control of the periphery instead of allowing far greater decision-making for the lower levels of governments (Hanson, 1999; Hawkins, 1999; Neave and van Vught, 1994). It also suggested the co-existence of both decentralizing and re-centralizing trends in education governance. Most important of all, this paper has found that the changing modes of governance and the changing role of the state in education have rendered the conventional 'public–private distinction' neither adequate nor convincing to describe the restructured state-education relationships especially when we analyse such changes in the light of the dynamic and fluid nature of decentralization (Bray, 1999; Dale, 1997; Hanson, 1999; Mok, 2000a).

Conclusion

In conclusion, this case study finds that even though similar patterns/trends in higher education reforms exist in South Korea as those elsewhere, the recently initiated higher education reforms in South Korea have really had diverse agenda. Such observations lead us to conclude that some common contextual factors, particularly the increasingly popular global trend of decentralization and marketization, seem to have considerably shaped the education policy throughout the world. There are many changes in common in the higher education sector in Hong Kong, Singapore, Taiwan and elsewhere, which suggests that higher education developments in these three societies have been affected by the similar trends of decentralization and marketization. But before we jump to this conclusion, maybe we should reiterate that local factors are crucial determinants of the scope and forms of change. The considerable convergence at the levels of policy rhetoric and objectives, therefore, may not satisfactorily explain the complicated processes of changes and the dynamic interactions between global–regional–local forces that shape education policy-making in individual countries (Dale, 1999; Green, 1999). Instead, a close scrutiny of the transformations and reforms in higher education of these East Asian societies has revealed similar trends but diverse political agenda among individual nation states/places.

Hence, while there are clear globalization trends, especially in the economy and technology, the nation state is still a powerful actor in shaping the nation's development and in resolving global–national tensions. This case study points out that not all nations have responded to globalization in the same way because of the specificities of national history, politics, culture and economy. Therefore, the so-called global tide of market competition, non-state provision of public services, corporate governance, system-wide and institutional performance management should not be treated as an undifferentiated universal trend. These different elements undoubtedly reinforce each other, though they are not equivalent or inter-changeable everywhere. Instead, they may take different configurations, which remain nation-specific, as well as global. As Gopinathan suggested, 'even as educational paradigms and ideas take on a global character, the factors that determine educational policies are essentially national in character' (Gopinathan, 1996, p.18). Instead of it being simply a process of globalization, the formulation of national policies is the result of complicated and dynamic processes of globalization (Mok, 2000b; Mok and Lee, 2001). Therefore, we must not

analyse 'globalization practices' in higher education in terms of a one-dimensional movement from 'the state' (understood as non-market and bureaucratic) to 'the market' (understood as non-state and corporate). Rather, we must contextually analyse the interaction between a range of critical shaping factors in the local context and the impetus for change driven by global trends.

In the knowledge-based global village, schools and universities are being widely restructured, and the intensity of surveillance of their work and performance is increasing – but this trend should always be understood in relation to powerful, if at times changing, patterns that are understandable within local traditions. In Korea, as well as internationalization, increased productivity, privatization, and responsiveness to market, democracy has been emphasized, which seems to relate to the Korean people's traditionally strong concern for education. Hence, in spite of the voices that preach that present policies help only rich institutions, who thus become even richer, especially in relation to the structured performance evaluations that are linked to financial support, the principles of market economy systems seem nonetheless to be getting more and more influential, albeit paying at least rhetorical homage to democracy and social justice (Yoon, 2000).

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4
Globalization, Localization and Education Reform in a New Democracy: Taiwan's Experience

Wing-wah Law

Globalization and localization are two opposite processes of change but they could be accommodated within the framework of democratization. The term globalization tries to capture the increased significance of global pressures and developments – economic, political and cultural – and of the increased importance of a global frame of reference. Localization refers to the empowerment of local forces and the (re)emergence of local cultures and endogenous identity; and democratization allows not only the participation of as many local people as possible in ruling themselves, but also the accommodation of transnational influences and global actors to local ones. With special reference to Taiwan, this chapter examines the complicated interplay of these three interrelated processes in social transformation and education reform, and challenges some convergence tenets of the globalization literature concerning the dominance of globalizing forces and processes over local ones.

The chapter argues that, in Taiwan, the state is a principal actor in shaping and balancing these three processes in social transformation and education reform. The three processes are reactions, and are used as a shield against the pressures of a regional force – the People's Republic of China (PRC) – on the developments and 'national'[1] identity of Taiwan at home and in the international community. Moreover, both democratization and Taiwanization are as intensive in education as they are in society, but the influence of economic globalization on education is less intensive in scale and slower in pace than outside education. To present the argument, the chapter firstly explores the issues in globalization discourse, and proposes a framework for understanding the specific case of Taiwan. This is followed by an examination of how the three processes are materialized in society and then translated to schools and universities as part of education reform.

A framework of analysis: globalization, localization and democratization

Globalization and localization seem to be two opposite trends, contradicting each other in logic. The debate between globality and locality or between homogeneity and heterogeneity in globalization discourse could be regarded as an extension from the development literature including theories of modernization, dependency and world systems. Although there is no standard definition or model (Hirst and Thompson, 1996), the globalization discourse is an attempt to theorize the phenomenon concerning the time–space compression of human activities on the globe. The discourse tries to describe, recognize, investigate and explain the accelerated and worldwide increase in the interconnectivity and interdependence between economies, polities, societies or cultures in different parts of the world, and explore, or even predict, the possible impacts of such increases on human development (Comeliau, 1997; Featherstone, 1995; Fukuyama, 1992; Jones, 1999; Ohmae, 1990; Poisson, 1998; Robertson, 1992; Smith, Solinger and Topik, 1999b). This increase is often seen as a result of freer and quicker interchanges and movements of capital, goods, services, people, technologies, information, ideas, images or values (or a combination of them) at the levels that transcend national borders in the 1990s than in the previous one or two decades. The territorial transcendence of these globalizing processes is further facilitated by the development of technology particularly in information and communication.

In the globalization discourse, globalists argue for the inevitable convergence of human activities and the receding role of the nation state. They predict the dissolution of territorial borders and the formation of a borderless world, the liberalization of national economies, the domination of supranational institutions, the disempowerment of nation states, the prevalence of the system and culture of liberal democracy, and the formation of a single consumer culture across societies (Fukuyama, 1992; Ohmae, 1990; Waters, 1995). Some scholars even suggest that economic globalization will trivialize democracy and freedom (Jones, 1999), dissolve local culture and patterns of life (Ekong and Cloete, 1997), weaken strategic social bonds, and generate 'new forces that undermine institutions and values' (Ratinoff, 1995, p. 173). However, these convergence tenets of globalization have been criticized as overstated, overgeneralized or even oversold (Veseth, 1998; Weiss, 1998). To a large extent, they reiterate an assumption similar to that of the development literature – the dominance of external forces or imper-

atives over domestic ones in shaping the development of a country (Law, 1996a).

In contrast to globalists, some scholars, despite the recognition of convergence pressures of globalization across societies, argue for the importance of nation states and heterogenization in terms of national or local responses to global processes or imperatives. However forceful and penetrative they are, global processes are constrained by their own inherent limitations. They need to be materialized and facilitated in national territories (Krasner, 1999; Sassen, 1999; Smith, Solinger and Topik, 1999a; Veseth, 1998). Multinational, transnational or supranational agencies need nation states to enact and enforce a legal framework to protect global capital, contracts or property rights. Moreover, nation states or individual collectivities have their policy considerations, such as, cultural and historical specificities and reactions from constituencies, and therefore would respond to globalization differently. For example, Schmidt (1999) identifies the divergent patterns of the national responses of Britain, France and Germany to economic globalization (and Europeanization) in institutional changes. With regard to political globalization, Friedman (1999) and Stubbs (1999) show that the engagement of countries with strong states (such as Indonesia, Malaysia, the PRC, Singapore and Thailand) in economic globalization does not lead to increased democratization, but strengthens state sovereignty and political authoritarianism. However, these scholars, similar to globalists, limit their discussion on the influences of globalization on individual nation states or collectivities, and do not consider the other side of the equation. To remedy this, Robertson (1995) argues that global and local processes mutually influence each other and that the homogeneity and heterogenization arising from such interactions are complementary and interpenetrative.

Tensions between globalization and localization can be found in education. On the one hand, national, particularly higher, education systems are affected by global processes. Examples include the materialization of economic rationalism, the incorporation of business values and practices (such as accountability, rationalization, standards and competition), the reduction in the government's financial commitment, emphasis on the principle of 'user pays', and the blurring of the distinction between public and private education (Currie, 1998; Henry, Lingard, Rizvi and Taylor, 1999). In response to economic globalization, national education systems also face pressures. Nation states are urged to reorient education to equip students with multiple and flexible specializations, transnational competencies (such as foreign languages and

information and communication technology) and awareness of other cultures (Altbach and Davis, 1999; McGinn, 1997; Poisson, 1998; Tilak, 1997; UNESCO International Commission on Education for the Twenty-first Century, 1996). Higher education institutions are even forced to compete in the markets for international students and international software (Henry, Lingard, Rizvi and Taylor, 1999).

On the other hand, these transcendent processes or global imperatives invite different national or local responses. The rejoinders to neo-liberal economic rationality by universities in different parts of the globe range from accommodation to resistance, for example, in the form of strike action by academics (De Angelis, 1998; Fisher and Rubenson, 1998; Mok, 1999; Tjeldvoll, 1998). The diversity of responses, as contended by Dale (1999), is a result of different choices of responses to external influences on national (education) policy such as borrowing, installing interdependence and imposition. In particular, the nation state is still a powerful actor in education (Gopinathan, 1996; Green, 1999). In the case of Singapore, although global education paradigms and practices are influential, the factors that determine educational policies are essentially national in nature and policy-making is a cultural exercise selectively taking on domestic values and rejecting undesirable global trends (Gopinathan, 1996).

However, despite some scholarly works (such as, Currie and Newson, 1998; Jones, 1999; Scott, 1998) devoted to the analysis of these transnational trends in education and the influences of globalization on education, the theoretical discussion on the relations between globalization and education is still being developed, and focuses mainly on higher education and what the responses of education to economic globalization should be. This kind of discussion, together with globalization discourse, could provide a general background for the understanding of some of the struggles between globalization and localization in Taiwan, but it is insufficient for understanding social transformation and education reform in Taiwan for three main reasons. They are: (1) the harmonious coexistence of the three transitional processes (engagement in globalization, Taiwanization and democratization), (2) their interplay in social transformation and education reform, and (3) the role of a particular regional force (namely the PRC) as both an impetus to and a force binding together the three processes.

To explain the specific case of Taiwan, this chapter, as illustrated later, proposes to use plurality as an umbrella concept to cover globalization, Taiwanization (or localization) and democratization in social transformation and education reform. Broadly speaking, these three processes

represent different components of plurality in society and education in Taiwan. Specifically, the pursuit of an endogenous 'national' identity and the need of the ruling regime to rebuild the basis of its leadership legitimacy are important impetuses to institutionalizing democracy and pushing Taiwan to engage further in globalization. Democratization has created an inclusive environment accommodating spectra of plurality including not only different political opinions but also polarities of Taiwanization and globalization and endless possible combinations of interaction among supranational, the state and local actors. Taiwanization and the participation of Taiwan in economic globalization do not necessarily contradict, or replace, each other. On the contrary, they complement, and balance each other in the enhancement of diversity and competition, and the building up of a new collective identity at home and in the international community. In addition to participation in economic globalization, Taiwanization and democratization become significant 'selling points' in Taiwan to promote its image and gain recognition by other countries in the international community.

Social transformation in Taiwan

The decades of the 1980s and 1990s witnessed, on the one hand, the success of Taiwan in creating an economic miracle and turning from a police state into a democracy, and, on the other hand, the bewilderment in its struggles for interethnic harmony and 'national' identity, and political setbacks in the international community. Taiwan comprises the Taiwan Island and other small islands (including Penghu, Kinmen and Matsu). It had been a colony of Japan for 50 years and was returned to the Republic of China (ROC) under the leadership of Kuomintang (KMT) in 1945. After the civil war in 1949, the Communist Party of China assumed leadership in the Chinese Mainland and the KMT was forced to move its seat to Taiwan. From then, the KMT was the ruling party in Taiwan until its replacement by the Democratic Progressive Party (DPP) in May 2000. Demographically, Taiwan has a population of over 22 million people. Less than 2% of the population are aborigines and 98% are Han Chinese migrants from the Chinese mainland. Of the latter, about 87% are native Taiwanese who, or whose ancestors, migrated to Taiwan before 1945, and 13% are mainlanders who, or whose parents, moved to Taiwan together with the KMT between 1945 and the early 1950s. Linguistically, the official written and oral language in Taiwan is Mandarin, the language of the post-1945 mainland migrants. Besides Mandarin, there are two major Chinese dialects –

Minnanese and Hakka, and languages of the aborigines. However, Hakka and aborigine languages are facing the problem of extinction as more young people switch to Mandarin and Minnanese which is currently in the mainstream of popular culture.

Economically, Taiwan successfully transformed its economy from agriculture and labour intensive industries in the 1950s to service and technology industries in the 1990s. The contribution of agriculture, industry and manufacturing, and services to gross domestic production changed respectively from 32.2%, 32.6% and 48.1% in 1952 to 2.9%, 34.0% and 63.1% in 1998 (Council for Economic Planning and Development, 1999). In 1998, the per capita GNP of Taiwan had risen twelve-fold to US$12,000 (US$1 = NT$32 in 1998) from about US$1,000 in 1976.

Moreover, from the 1980s, Taiwan changed its trading strategy from protectionism to engagement in economic globalization with a view to competing for trade opportunities and global capital, and facilitating the freer flow of capital, goods, services and human resources across its borders. To tap the market outside Taiwan, the Taiwan state has successfully diversified its trading partners, converted large domestic enterprises into multinational corporations, and specifically targeted the global market of information and communication technology (ICT). In 1998, Taiwan ranked third (after the United States and Japan) in the production of ICT components and accounted for about 30% of the global production of microchip sets and motherboards (Cheng, 1999). To attract global capital and resources to come to Taiwan, the Taiwan state has introduced five major measures of deregulation. They are: the gradual opening up of many domestic economic sectors to multinational corporations; reduction of import duties; gradual lifting of the caps on shareholding by foreigners and overseas corporations in local enterprises; revision of old laws or enactment of new ones to protect the investment of foreign individuals or organizations; and the reduction in restrictions on travel, stays and work permits. To be more cost effective, Taiwan, similar to many advanced economies such as the United Kingdom, institutionalized global notions of rationalization, standards and privatization. From the early 1990s, the Taiwan state began to downsize its structure, and demand that its agencies enhance the quality of their services and resource management performance (Executive Yuan, 1998a, b). Between 1989 and August 1998, the Taiwan state transferred 18 state enterprises or factories to private ownership (Council for Economic Planning and Development, 1998).

In spite of the reduction in control, the Taiwan state continues to play

an important role in its economic globalization. The Taiwan state is a source of legal legitimacy and guarantor of contracts with multinational corporations whose economic investments and interests rely heavily on the laws revised and enacted by the Taiwan government. On behalf of Taiwan's people and, particularly small and medium-sized, domestic enterprises, the Taiwan state is also the only legitimate negotiator to bargain with supranational organizations (such as World Trade Organization, World Bank, International Monetary Fund and Asia–Pacific Economic Cooperation) and a strong competitor with multinational corporations based in other countries. Moreover, the Taiwan state is a final setter of the bottom line of concessions. For example, foreign investors are not allowed to set up a new bank in Taiwan although they could operate through branches. Caps on foreign shareholding in the Taiwan economy are still in place.

Despite economic success, Taiwan has suffered from the lack of both consensus on its 'national' identity at home and recognition of such identity in the international community for over half a century. Since 1945, the struggle of Taiwan for 'national' identity has been complicated by its past and present relations to the Chinese mainland. In Taiwan, the interethnic and provincial conflicts between mainlanders and native Taiwanese over their places of origin and belonging have not ceased and are often reignited particularly in political elections. Behind these conflicts is the tension between Taiwanese ethnonationalism and subtracted Chinese ethnonationalism, despite different emphases in different periods (Huang, 1992). Taiwanese ethnonationalism is a concept describing Taiwan as 'an historically and culturally distinct community' which has its own history of over 400 years in which Taiwan has been governed by 'external, invading forces' including the Portuguese, the Spanish, China, Japan and the KMT (Schubert, 1999). Subtracted Chinese ethnonationalism describes Taiwan as an historico-cultural community affiliated to pre-1949 China whose territory is temporarily reduced to Taiwan but is expected to resume its original territory after the recovery of the Chinese mainland from the Communist Party of China. In the international community, Taiwan lost its seat in the United Nations to the PRC in 1971. Since then, Taiwan has been diplomatically contained by the PRC. The diplomatic allies of Taiwan dropped from about 80 in 1971 to less than 30 in 1999. Owing to the lack of recognition as a nation state by other countries, Taiwan has no rights to sign treaties and join international or supranational organizations that require the status of nation state. Taiwan's officials in their official capacity cannot attend international official summits, confer-

ences and ceremonies. Top officials such as the President and Premier are not even allowed to pay private visits to other countries without generating diplomatic controversy between Taiwan, the PRC and the countries concerned.

To build up a new 'national' identity and a shield against the pressure from the PRC, the Taiwan state has made three attempts: democratization, Taiwanization and internationalization of Taiwan's experience and problems. To make it a political contrast to the PRC, Taiwan has successfully transformed itself from an authoritarian state marked by the dominant rule of single leaders to a democratic state in which people could choose their leaders and representatives at different levels. Since the lifting of martial law in 1987, over 80 political parties have been formed. In 1996, the KMT won the unprecedented direct election of a president despite the missile threat from the PRC. This helped the KMT to change institutionally from an 'external' to an endogenously endorsed ruling party. In the second direct presidential election in 2000, the KMT ended its 55 years in power after being defeated by the DDP which advocates the independence of Taiwan. The peaceful transfer of power from the KMT to DPP pushed the development of democracy in Taiwan into another climax.

Parallel to democratization in the 1990s, the Taiwan state began to develop a new political and collective identity by selectively amalgamating Taiwanese ethnonationalism and subtracted Chinese ethnonationalism into Taiwan–Chinese ethnonationalism. The latter describes Taiwan people as a contemporary community, with Taiwan as their permanent base which shares with the PRC the same Chinese historical and cultural linkages, and whose developments have been specific to Taiwan and different from those on the Chinese mainland before or after 1949. In 1999, the Taiwan state removed the notion of province in relation to the Chinese mainland by abolishing the Government of Taiwan Province level so as to bring down the administration from three to two levels (i.e., central and local only). In particular, in 1999 the former President Li Denghui advocated the notion of 'new Taiwanese' (*xin tai wan ren*). This notion promulgates a fresh, and shared, 'national' identity for those who are living in Taiwan and willing to strive and sacrifice for the ROC regardless of when they or their ancestors came to Taiwan, and their provincial heritages or native tongue (Li, 1999).

In the international community, Taiwan attempts to promote itself as an autonomous political entity. In the early 1990s, Taiwan began to use the phrase 'ROC on Taiwan', rather than merely ROC or Taiwan, to proclaim its territorial jurisdiction on many public occasions and in gov-

ernment documents, and, more importantly, in the bid for membership in the United Nations. In 2000, the Taiwan state changed the names of two official English publications from *Free China Journal* and *Free China Review* to *Taipei Journal* and *Taipei Review* respectively. To gain recognition in the international community, Taiwan adopts five major strategies to spread its experiences in economic and democratic development with other countries and force other nation states or supranational organizations to address its concerns or problems of 'national' identity. The strategies are: the development of economic and cultural links with as many countries as possible; the application annually for membership or observer status in world organizations such as the United Nations (from 1993), GATT (now WTO, 1990) and the World Health Organization (WHO, 1997); exchange of trade and aid to countries that have diplomatic ties with Taiwan for their support to its bid for official membership in international organizations; active participation in international events and competition despite the concession to the use of Chinese Taipei as its territorial name; and the utilization of foreign mass media and the internet to introduce Taiwan to the world.

A general picture of the Taiwan education system

As in many societies, the education system in Taiwan is one of its largest social services. As it grows quantitatively, the competition of students for access to the next levels of education, and discrimination against female students decreases. In 1998–9, 5.2 million students (about one quarter of the total population) were enrolled and about 257,000 teachers worked in over 7,700 schools and tertiary institutes (Ministry of Education, 1999g). The Taiwan education system comprises three major educational tiers (Figure 1). The first tier is compulsory schooling: six years of elementary education and three years of junior high education.

The second tier is composed of two parallel curriculum tracks: grammar and vocational. Senior high schools aim at preparing students for college education, whereas senior vocational schools aim at equipping students with practical knowledge and skills in industry, commerce or other specializations for direct entry into the labour market after graduation. The emphasis on economic modernization in the 1950s and 1960s has tilted the student enrolment towards the vocational track. In the 1980s and 1990s, the change of economic orientation to capital and technology intensiveness and the demands of parents for putting their children in the grammar track forced the Taiwan state to readjust the ratio of student enrollment in senior high and senior vocational
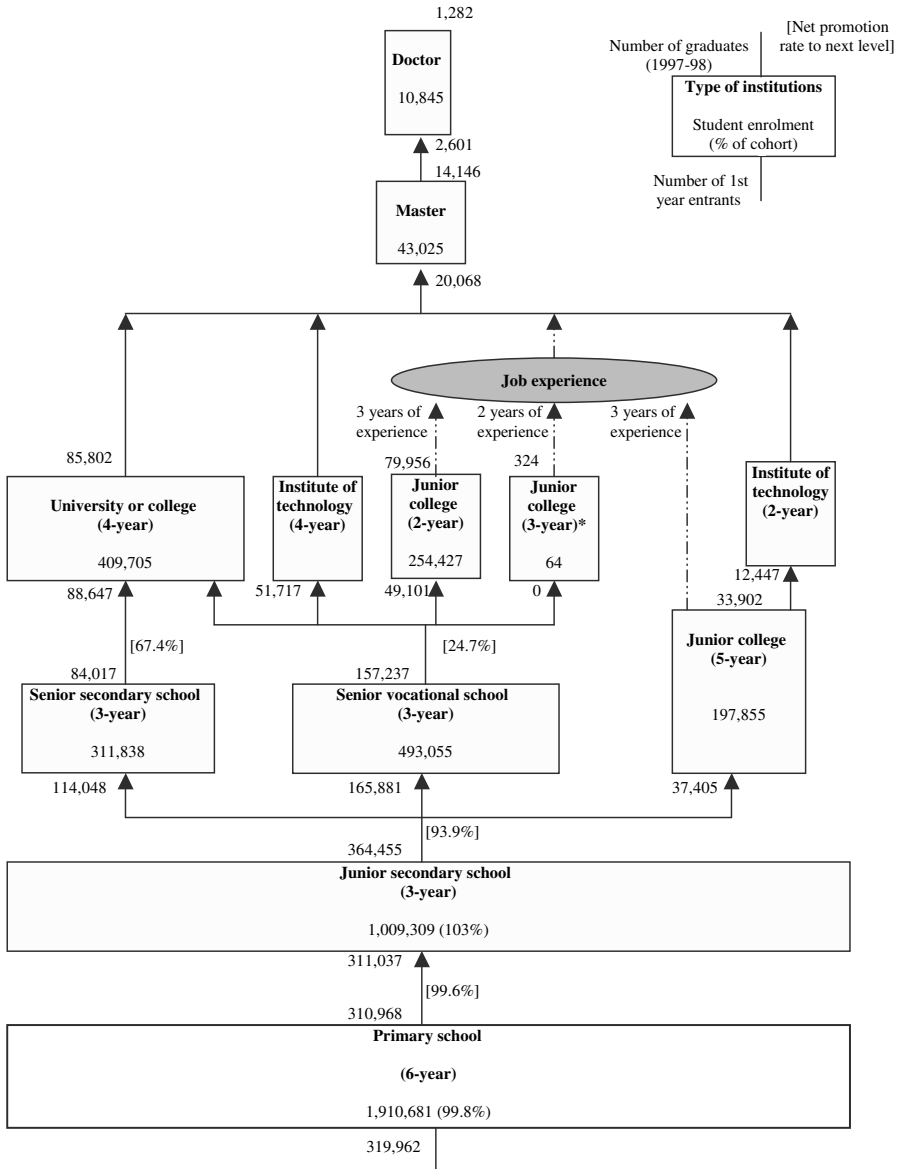
Figure 1 Educational structure with enrolment sizes and numbers of entrants as well as graduates at various levels in Taiwan, 1998–9

Source: Figures from or calculated from Ministry of Education (1999g)

schools. As a result, the ratio was reduced slightly from 1:2.1 in 1988–9 to 1:1.6 in 1998–9. It is expected to be reduced further to 1:1 in the first years of the twenty-first century. The third and the most complicated tier consists of junior colleges, institutes of technology, independent colleges and universities. There are three types of junior colleges of different course length. Five-year junior colleges admit junior high graduates, and require normally five years of schooling. Three-year junior colleges admit senior vocational graduates in general and are going to be phased out because most of them had been upgraded to institutes of technology. Two-year junior colleges admit those senior vocational graduates majoring in disciplines relevant to specialisms offered.

Public joint entrance examinations in Taiwan have been used for streaming and screening students for decades. Since the mid-1990s, the channels of admission to post-compulsory education have been diversified from unified examinations to include recommendation by school, direct application by student, and special admissions for students with talents in cognitive areas or non-cognitive areas such as music, dance, opera and sports. Moreover, the public joint entrance examinations will be abolished in the early twenty-first century: entrance examinations to senior higher schools in 2000, senior vocational schools in 2001 and universities in 2002. These selective examinations will be replaced with ability aptitude examinations that focus on the assessment of students' basic knowledge and skills at different levels. All these reforms in admission exercises and public examinations are expected to reduce students' study pressure and rectify the backwash effects of examinations on teaching and learning in school.

Financially, the total public and private education expenditure increased from 1.73% in 1951 to 6.51% of GNP in 1997–8, and the share of education in government expenditure increased from 9.93% to 18.54% in the same period (Ministry of Education, 1999g). Between 1988 and 1998, educational expenditure per student more than doubled to US$3,300, and the student–teacher ratio was reduced gradually from 26 to 20.3. Since 1949, the private sector has played an important role in sponsoring and financing education (e.g., 1.45% of GNP in 1997–8). The private sector has also shared a quite significant portion of the total student enrolment: 9% in junior high schools, 32% in senior high schools, 63% in senior vocational schools, 86% in junior colleges and over 60% in universities in 1998–9.

The Taiwan state has broadly achieved equal access to education. This is reflected on two dimensions: quantitative expansion and increase in

female enrolment. As economic prosperity and social demand for education grew, the education system was expanded horizontally and vertically by stages. The expansion commenced with primary education in the 1960s. The net percentage of the cohort in primary education increased from 80% in 1950 to 98% in 1967 (Ministry of Education, 1998e). Building on this achievement, Taiwan universalized 9-year compulsory basic education in 1968, and broadened the access to senior secondary education and higher education respectively in the 1980s and 1990s. The average promotion rates of junior secondary students, senior secondary students and senior vocational students to the next level of education increased respectively from 79.5%, 45.5% and 4.6% in 1988–9 to 93.9%, 67.4% and 24.7% in 1998–9. In the same period, the net percentage of the cohort in senior secondary education (including the first three years of 5-year junior colleges) and higher education increased respectively from 70% and 16% to 83% and 33%. Moreover, discrimination against female access to education has almost been eradicated. In 1950, the percentages of female enrolment in elementary schools, junior high schools, senior higher schools, and junior colleges and universities were respectively 39%, 28.7%, 27.1%, 15.5% and 10.9% (Ministry of Education, 1998a). In the 1970s, educational expansion created more chances for females (and males) to access education of higher levels. Between 1988 and 1997, the figure of female enrolment increased from 46.7% to 48.8% in 1997 in the senior secondary sector, and from 43.8% to 46.5% in the higher education sector (Ministry of Education, 1998a). The female enrollment has exceeded the male figure at the senior vocational level since 1980 and at the junior college level since 1993.

In spite of these attempts, the Taiwan state has been confronted with other types of problems concerning equality. They include disparity in the allocation of expenditure between educational sectors and between urban and rural areas, and education for aboriginal people (Cai, 1994). The first two problems are more difficult to ease because they involve resources allocation, the sharing of educational expenditure between central and local governments, and, particularly, the financial ability and commitment of local governments. The third problem involves a much smaller percentage of student population and resources. The Taiwan state recently introduced some positive measures to protect the rights of aboriginal people. In 1998, a law on education for aborigines was enacted (Legislative Yuan, 1998). Both local and central governments are stipulated to establish public kindergartens. In aboriginal schools, priority should be given to aboriginal candidates in application

for teaching and leadership posts. Aboriginal students are given chances to learn about their dialects, history and culture in pre-school and nine-year compulsory schooling. The Law also stipulates that the curriculum related to aboriginal peoples at all school levels should adopt a 'pluralistic perspective' and incorporate the history, culture and value systems of aboriginal peoples. Representatives of aboriginal peoples are also allowed to participate in the design of such curricula and selection of teaching materials.

In addition, the Taiwan state has been challenged by other important educational problems (such as examination pressures and quality of education) and the preparation of students for the coming of the twenty-first century. In 1994, the former President Li Denghui created an ad hoc reform agency, the Commission on Educational reform (CER), to start an organized education reform movement for reviewing the education system, setting the framework for reform and generating the momentum from below. Based on the Commission's final report, its own version of reform plan and other reports, the Ministry of Education (MoE) produced the Comprehensive Plan of Education Reform in 1997 (Ministry of Education, 1997b). Twelve priority areas for reform are selected. They include:

(1) the completion of national education,
(2) the universalization of preschool education,
(3) the improvement of teachers' initial training and professional development,
(4) the diversification of vocational education,
(5) the pursuit of the development of excellence in higher education,
(6) the promotion of lifelong education and information technology education,
(7) the furtherance of family education,
(8) the strengthening of special education,
(9) the improvement for education for aboriginal peoples,
(10) the improvement of the channels of access to the next educational level,
(11) the development of a new student guidance system, and
(12) the consolidation of educational expenditure and strengthening of educational research.

In 1998, the Executive Yuan promulgated an action plan to implement the reform and proposed a budget of about US$5 billion for it between 1999 and 2003. Whether these new reform initiatives will succeed

remains unknown. However, parallel to or even earlier than the reform movement are more important and fundamental education changes that have begun at the systemic or curriculum level: democratization, Taiwanization and preparation for economic globalization.

The democratization of education in Taiwan since the 1990s

Between the 1950s and 1980s, education had been highly controlled by the MoE and local education bureau. The areas of control included the prescription of curriculum and textbooks, the monopolization of teacher training, the appointment of school principals and university presidents in the public education sector, and the regulation of the provision and administration of private education. Since the political system and society were gradually democratized in the late 1980s, the Taiwan state has been under pressure to democratize its education system. There are three types of indicators to reflect the impact of democratization on education (Davis, 1999). They are: (1) the identification of values associated with democracy in education, (2) the operationalization of these values at both the systemic and school levels, and (3) the reproduction of these values in education, for example, through teacher education and lifelong education. The second type is focused in the analysis of the democratization of Taiwan's education. The democratization of Taiwan's education is reflected in the empowerment of non-state forces in education, the selection of university presidents and school principals, the return of autonomy to higher education, and the redefinition of a legal framework for education to protect pluralism. However, democratization does not necessarily reduce conflicts between stakeholders in education. On the contrary, it intensifies on many occasions.

The empowerment of new actors in education

The first characteristic of democratization in Taiwan education is the empowerment of actors who were formerly excluded from shaping education policy or managing educational affairs (Figure 2). There are three major types of newly empowered actors: legislators, pressure groups and teachers. (Other actors include parents' associations and student bodies.) Lawmakers, particularly those from the non-ruling parties are the first type of new actors. In the Legislative Yuan, they summon and question state officials about educational policies and use the approval of educational budget as a means to shape policy and reform. Through
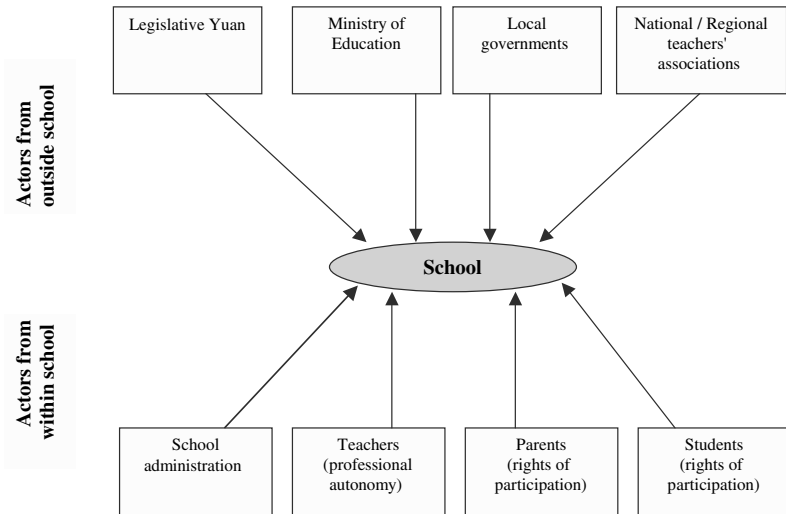
Figure 2 New ecology of education administration in Taiwan from the late 1990s

regular reporting, the MoE is held accountable for its working plans and progress to the Legislative Yuan (see an example in Ministry of Education, 1999g). Education concern groups are the second type of new actors. An example is the April 10 Education Reform Movement (which was formed in 10 April 1993) which urged the government to reduce class size and school size, expand post-compulsory education and enact a fundamental law of education (Huang, 1995, p. 120).

Teachers are the third group of new actors. Since the lifting of martial law in 1987, they have been gradually empowered in three major aspects. First, in 1995, the unprecedented Teachers Law was enacted to establish the legal status of the teaching profession and prescribe teachers' rights and duties. Secondly, at the school level, teachers are given more personnel decision power that was formerly exclusive to the principal. Since the promulgation of the Teachers Law, the responsibility of the recruitment, renewal of contract, and tenure of teachers has been devolved from the principal to the committee of teachers' review and assessment. The domination of teachers in the committee is ensured by its composition; at least 50% of committee members are teachers who do not concurrently hold administrative posts or membership in the board of directors of the school; others include representatives from the

school management, and one representative from the parents' association. Thirdly, teachers are allowed to establish their associations at three levels: school, local and national. By early 2000, a majority of schools had established their school teachers' associations. Seventeen (out of 25) cities and counties have established their local teachers' associations (LTAs). In February 1999, the National Teachers' Association (NTA) was also established. The widespread growth of teachers' associations with protection by the Teachers Law have turned them into the fourth organized force in shaping and controlling policy-making and educational administration (in addition to the Legislative Yuan, MoE and local governments). Local and national teachers' associations have the role of both professional body and labour union (Zhou, 1997). According to the Teachers Law, they have the legal power: (1) to protect the professional status and autonomy of the education profession, (2) to negotiate with the respective administration bodies concerning teachers' recruitment and terms of contracts, (3) to research on and provide help for solving educational problems, (4) to supervise the administration of the teachers' provident fund, (5) to send representatives to sit on statutory bodies concerning teachers' recruitment, appeal and teacher-related affairs, and (6) to prescribe teachers' professional code (Legislative Yuan, 1995, Article 27) . However, unlike other unions, these associations do not have the right to boycott classes.

Both the national and local teachers' associations have changed the ecology of policy-making and educational administration in Taiwan. In the late 1990s, the municipal teachers' associations in Taipei and Kaohsiung played an important part in the selection of the directors of municipal education departments. To protest against the delay of the reform of basic education in mid-1999, the NTA wrote a public letter to the Minister of Education urging him to continue, rather than postpone, the reform. Moreover, teachers' associations began to implement the principle of regulation of teachers by teachers. In 1999, the NTA and eight LTAs, together with other civilian groups advocating education reform, launched a campaign to rectify a common practice among teachers, the offering of private tutoring after school time. More significantly, in February 2000 the NTA promulgated the unprecedented professional code for teachers.

The selection of university presidents and school principals

The second characteristic of democratization in Taiwan's education is the breaking of the state's monopoly over the appointment of university presidents and school principals in the public sector. Formerly,

public school principals and university presidents were selected and appointed respectively by local governments and the MoE alone. Once appointed, school principals could stay in their job in the same school until they retired or were transferred to another school. As a result, the power of school principals was almost unchecked and many of them were accused of dictating school administration. Some substandard principals who had held principalship for a long period were also criticized as principals-for-life (*wannian xiaochang*) (Guo, 1998; Lin, 1998). Similar problems of appointment and dictatorship in university administration could be identified in public universities.

The breaking of the state's monopoly over the recruitment of school or university heads began with the success of academics of Taiwan University and Taiwan Normal University in striving for greater participation in the selection of their presidents in 1992 (Law, 1996b). One year later, the University Law was revised to allow faculty members of any public university to elect two or three candidates for presidency, and nominate them to the MoE for its final selection and appointment. As a result, all present public university presidents have gone through the election and nomination processes. However, the MoE is thinking of revising the University Law again to combine the two processes into one single stage: selection by a committee comprising members representing widely different interests. This is because, during the election process, political factors have created schism within faculty members and unnecessary controversies had been introduced into campuses.

The idea of a one-stage selection process has been tested in the recruitment of principals of elementary schools and junior secondary schools. In 1999, the Basic Education Law was revised. It stipulates that new principals or serving principals who want to get reappointment be required to go through an additional selection process (Legislative Yuan, 1999, Article 9). The local government concerned is responsible for organizing a selection committee. At least one-fifth of its members are parents, and the rest include representatives from teachers and school administration, and academics. Moreover, principalship is not automatically extended but needs to be renewed regularly. The maximum length of principalship in the same school is limited to at most two terms (i.e., eight years). After finishing their terms, principals could return to teach in the same school, or take up principalship in another school if they successfully go through another round of selection. The Taiwan state has announced that it will introduce a similar selection process for the recruitment of heads of senior secondary schools and senior vocational schools by revising the relevant education laws.

How the selection affects the quality of principals and the ecology of school administration in Taiwan remains to be seen. However, the new measure has lowered the morale of many serving principals. Some principals were forced to leave their posts. Also, the revised law does not portray a progressive professional career path for principals. On the contrary, the law suggests the possibility of a regressive trajectory: 'demotion', rather than promotion, from the post of principal to ordinary teacher if principals could not find another school to employ them as principals after the first (or second) term of office. The new possibility in turn would create a series of problems facing the job security of the 'demoted' principal such as the lack of a teaching vacancy in the original school, possible rejection of the teachers' review council, embarrassed collaboration of the newly selected and 'demoted' principals, possible vengeance of teachers on the 'demoted' principal because of the past conflicts arising from his or her former school policy (Zhang, 1999). To protest against the new legal provision, an association of principals of public elementary schools and other alliances of school principals were formed in, for example, Taipei. They argue that the law unilaterally changes the terms of principalship to original teachers from civil servants whose ranks could not be terminated unless they were involved in criminal offices. They petitioned the MoE for the protection of the interests of serving principals. Despite the petition, the MoE insisted on the original initiative as indicated in the newly revised Regulations Concerning the Implementation of Basic Education Law (Ministry of Education, 1999a).

The return of autonomy to higher education

The third mark of the democratization of education in Taiwan is the return of autonomy to higher education in areas of internal administration and curriculum. In the past, university autonomy in Taiwan was extremely limited. This was reflected in a past Taiwan saying that there was only one 'University of the MoE' in Taiwan despite the existence of dozens of universities and colleges (Chen, S. F. 1998). The MoE tightly controlled the establishment of institutions, the appointment of presidents of public universities, and the contents of the curriculum. From 1993, the MoE gradually returned administration power to higher education institutions. As mentioned earlier, the University Law was revised to enhance the autonomy of tertiary institutions and allow university executives and academics to manage themselves. Since then, university presidents, college heads or deans are elected by faculty members. Mechanisms of self-accreditation are in place. At the moment of writing, 23 universities have gained the status of self-accreditation and another 16

universities have applied for self-accreditation. In 1996, the MoE revised the policy of separating religion from higher education, and began to permit tertiary institutions to offer departments or institutes of comprehensive or comparative religion focusing on a range of religions rather than a single religion. Four tertiary institutions quickly responded and established these departments or institutes. They include three institutions run by religious bodies (Fujen Catholic University by the Catholic Church, Tamsui Oxford University College by a Christian body and Hsuan Chuang University by a Buddhist organization) and a public university with no religious background (Chengchi University). In 1997, the MoE also revised the restrictive provisions of the Regulations Concerning the Implementation of the University Law and allowed individual tertiary institutions to determine their own courses and period of study (Ministry of Education, 1997a).

The redefinition of a legal framework for education to protect pluralism

The fourth characteristic of the democratization of education in Taiwan is the redefinition of the legal framework to accommodate and protect plurality, and regulate new relations between education, the state and society arising from the political transition from authoritarianism to democracy. After moving from Taiwan in 1949, the KMT transplanted from the Chinese mainland almost the whole set of education laws and regulations of the pre-1949 ROC. Some legal revisions were made mainly in response to economic changes and promulgated in the form of administration regulations (Zhou, 1997). As a result, the legal framework for education was only an instrument to consolidate the control of the KMT over policy-making, educational administration and the curriculum in Taiwan. In the early 1990s, the Taiwan state began to redefine gradually the legal framework for education as an integral part of political democratization. At the macro level, the Taiwan state enacted new education laws and regulations such as the Teachers' Law (1995) and the Fundamental Law of Education (1999, hereafter abbreviated as FLE), and revised old ones including the University Law (1993), Teacher Training Law (1994), Private Schools Law (1997) and Basic Education Law (1999). Among them, the FLE is the basis upon which new laws or regulations are enacted or existing ones are being revised. Therefore, it is selected to illustrate three concerns relating to the creation, consolidation or regulation of new relations between the state, education and society.

The first, the most fundamental, concern of the FLE is the return of power from the state to the people. The law changes the orientation of

policy-making from education as state power to people's right. Education rights belong to the people regardless of their ethnicity, gender, physical condition, socioeconomic background, religions and political beliefs (Articles 2, 4). Parents have the rights to choose the mode and content of basic education deemed by them the best for their children (Article 8).

The second concern is the empowerment of local governments and non-state actors in education policy and affairs. The FLE redefines the locus of control in education, particularly the division of power over education between the central and local governments and between government and non-state actors (Figure 2). On the one hand, the FLE broadens the power of local governments by transferring most administration powers that exclusively belonged to the MoE. On the other hand, the FLE confines the power of local government by broadening the participation of non-state actors in local education administration. It is stipulated that local education review committees be established in local governments. Each committee is set up by the head of local government or the local education bureau and comprises academics and representatives from different education-related categories including parents' association, teachers' association, ethnic minorities, and education and school administration.

The third concern of the FLE is to institutionalize plurality in education. The FLE incorporates the principle of neutrality by prohibiting the use of education as an agent of a single reugion or political body, and encouraging fairness in competition between religions or between political parties on campus (Article 6). The FLE also diversifies the providers and choices for consumers of education by introducing the third mode of sponsorship in addition to public and private schools (Article 7): it is the privatization of public schools by transferring their management power to private entities, or the establishment of schools run by individuals or social organizations, but sponsored and supervised by the government. The new mode of sponsorship, together with parents' rights to choose, provides legitimacy for the existence of experimental schools outside the mainstream curriculum (such as Forest Elementary School, Forest High School and Caterpillar School) and the demand for financial support from the state.

The intensification of conflicts in, and the politicization of, education

The sharing of power does not necessarily reduce conflicts between actors in education and depoliticize education. On the contrary,

the empowerment of teachers, students and parents intensifies their conflicts with school or university administration, and the state. Plebiscite exercises become an increasingly important means used by teachers or their school teachers' association to oppose internal measures initiated by the administration, or the reappointment of their college or school heads. Public demonstration is another common way for parents, teachers or educators to negotiate with the education authorities. To minimize these conflicts in schools or universities, the Ministry of Education is proposing to revise the Teachers' Law to reduce the three-tier structure of teachers' associations into two tiers (i.e., only local and national), and to modify the University Law to simplify, as mentioned earlier, the selection of university heads.

Moreover, education in Taiwan has been changed from monolithic politicization marked by the domination of the ruling party in education to pluralistic politicization marked by competition between different political parties on and outside campus. Formerly, education policy was solely determined by the KMT. Now government officials need to go to the Legislative Yuan or local councils to solicit the support of people's representatives from different political parties, reply to their enquiries and explain the government's policy. In many cases, compromise among political parties or between them and education concern groups was made in the making of education policy or law. The University campus becomes an increasingly important arena for different political parties to deliver their political platforms and compete for support. University teachers and students are important sources of votes for candidates for political elections. The support of the former could help increase the credibility and popularity of the latter outside campus. Many university academics and students are also very keen to participate in political campaigns for their candidates.

The Taiwanization of education

Democratization has created 'space' and provided justification for the reinstatement of local cultures and identities in education in Taiwan. In the 1990s, the Taiwan state began to foster among students a new 'national' identity, Taiwan–Chinese ethnonationalism. Structurally, as a result of the abolition of Taiwan Provincial Government, administrative power over 170 provincial senior high schools, vocational schools and special schools was transferred to the MoE, and they are now called 'national' in their official school names. More significantly, the Taiwan state redefines the contents of 'national' identity to be transmitted in

the curriculum. On the one hand, the learning of subtracted Chinese ethnonationalism is selectively reduced in political and ideological education. On the other hand, tenets of Taiwan–Chinese ethnonationalism are selectively underscored as reflected by the new stress on the learning of local or aboriginal languages, and promotion of Taiwan's history and geography, and traditional Chinese arts and cultures.

De-emphasis of education in subtracted Chinese ethnonationalism

In the 1990s, political and ideological education that had promoted the political doctrines and values of the KMT was gradually de-emphasized. Formerly, the curriculum across all levels was filled heavily with political orthodox messages and themes of subtracted ethnonationalism, such as, Taiwan as a bastion to recover the Chinese mainland and fight against communism, the Three People's Principles, and the words of Sun Yixian and Jiang Jieshi. A quarter of the students' time was spent on subjects like the Philosophy of Sun Yixian, and military training (Her, 1997). From 1998–9, the government-appointed publisher dropped the honorary titles of national leaders in history textbooks of junior secondary schools (National Institute for Compilation and Translation, 1999a). The names of Sun Yixian and Jiang Jieshe are called direct, rather than the 'national father' (*guofu*) and 'elder Jiang' (*jianggong*) respectively. In 1999 compulsory and intensive military training which had trained over 1.3 million male university students for four decades was abolished. More importantly, in 2000 the Taiwan state removed from public examinations the political and ideological subject, the Three People's Principles, which had been a compulsory subject in the joint university entrance examination for students of all streams since 1954. However, Taiwan still wants to maintain a historico-cultural tie with pre-1949 China. This is shown in its attempt to save and promote traditional Chinese arts and other cultural elements in the school curriculum. In 1991, the MoE began to subsidize primary schools and junior secondary schools to promote Chinese traditional arts and amusements. In the same year, similar cancellation of the subject took place in the joint entrance examination for the two-year junior colleges and four-year institutes of technology. Despite the cancellation in public entrance examinations, the political and ideological subject is still a compulsory subject, two hours a week, in senior secondary schools. The MoE has planned to reduce the study of the subject from three years to

one year from 1999–2000 and integrate it with other subjects from 2004–05.

In 1998–9, the MoE subsidized 1,100 schools with US$1.4 million on nearly 1,300 activities including traditional Chinese music, dance, craft, opera, amusements, and children's games such as kicking shuttlecock. The promotion of traditional Chinese cultural elements was extended to higher education. In the mid-1990s, several universities began to offer qigong (one kind of Chinese physical exercises) as an elective in physical education programmes. In 1999, Taiwan University offered qigong as an elective in general education emphasizing only the theory of qigong. Unlike Taiwan University, Taiwan Normal University incorporated qigong as a formal teaching subject and research area, and emphasized both theory and practice of qigong.

The incorporation of local languages into the formal curriculum

To fill up the vacuum left by the de-emphasis on subtracted Chinese ethnonationalism, the Taiwan state emphasizes Taiwan as the homeland of Taiwan people. The Taiwan state changed its policy on homeland languages (*xiangtu yuwen*, including the two major local dialects and aboriginal languages), which are essential components of collective cultural and political identity, from censorship to promotion in the curriculum. Unlike the use of Mandarin as the official medium of communication, the use of homeland languages on official occasions and its learning in school had been suppressed for nearly five decades. Since language and culture are closely related, the functional use of Mandarin and the reduced opportunity to learn homeland languages are unfavourable to the transmission of local languages and cultural traditions, and threaten the preservation of the cultural identity of Taiwan's people including aborigines. Unlike post-apartheid South Africa which gave ten aboriginal languages statutory status after democratization (Webb, 1999), Taiwan has not yet given statutory status to any ethnic languages, other than Mandarin.

Homeland languages are now gaining an official status in the school timetable. The learning of homeland languages in schools began with the fulfillment of the political promises of the magistrates of three counties in the election campaigns in 1990 and the continuing efforts of many social groups to save local dialects and aboriginal languages. In 1998, the MoE also helped solve the linguistic problem of learning and teaching dialects and aboriginal languages (which had no phonetic systems and commonly agreed, standardized written forms) by pro-

mulgating the unprecedented official phonetic systems for them. In the same year, the Legislative Yuan enacted the Aboriginal Education Law to protect aboriginal peoples' rights to learn their native languages, history and culture, in kindergartens and primary schools in their hometowns (Legislative Yuan, 1998). From 2001–02, students from first grade to sixth grade, regardless of their provincial affiliation, are required to take one to two lessons of one homeland language of their choice per week. Junior secondary students could take homeland languages as electives. In due course, the emphasis of homeland languages becomes an increasingly important consideration in the state's educational planning and promotion of educational policies such as the use of the bilingual (Mandarin and Minnanese) version of the Song of Learning in the promotion of lifelong education in 1999.

A shift in focus to Taiwan's geography and history

In promoting Taiwan–Chinese ethnonationalism, the Taiwan state also redefines in the school curriculum the territorial and social components of the 'national' identity with more emphasis on Taiwan. Before the mid-1990s, the KMT deemed that equipping students with a good understanding of the Chinese mainland was an important preparation for its recovery from the Chinese Communist Party. A survey showed that Taipei students knew more about the cities of the PRC (such as Beijing, Nanjing and Guangzhou) than their own city (Deng, 1997). This could be explained partly from an analysis of the four geography textbooks which are currently and widely used in senior secondary schools and which show that more emphasis was put on the Chinese mainland (and Western countries) than Taiwan. For example, in the volume on national geography, only three (out of 28) chapters focus on Taiwan and the rest are about the Chinese mainland (National Institute for Compilation and Translation, 1998). Of 105 figures, only 11 are directly related to Taiwan, and the rest are about the Chinese mainland. In the other volumes (except one on foreign geography), a majority of Chinese examples used to illustrate geographical phenomena are those related to the Chinese mainland rather than Taiwan.

To enhance students' understanding of, and sense of belonging to, Taiwan, the Taiwan state shifted the focus in the 1990s to homeland studies (*xiangtu jiaoxue*), the learning of local languages, history, culture, arts and contemporary developments in Taiwan. In 1996, homeland studies was incorporated officially as a school subject into the basic education curriculum across Taiwan. Elementary students from third to sixth grades have one session of homeland studies per week, whereas

seventh graders in junior high schools have one session on homeland arts activities and three sessions on 'Understanding Taiwan' (*renshi Taiwan*) per week. The major purposes of homeland studies are (1) to enhance elementary students' understanding of their locality in these five areas, (2) to raise their interest in local affairs, to develop their ability of appreciation and to stimulate their passion for the locality, (3) to develop their ability of observation, exploration and problem-solving on local issues, and (4) to help students to respect the cultures of different ethnic groups and enhance social harmony. The geographical areas under study start with the villages or districts in which students are living and then move to their cities or counties.

In comparison, the 'Introduction to Taiwan' for junior secondary students reflects a more conspicuous shift in the definition of 'national' identity from subtracted Chinese ethnonationalism to Taiwan–Chinese ethnonationalism. The subject is divided into three parts: geography, history and society of Taiwan. From the MoE-version textbook (National Institute for Compilation and Translation, 1999b), the writer identifies four significant changes in the perceptions of the Taiwan state about the 'national' identity of Taiwan and the relations of its people to the Chinese mainland. First, as suggested in the title and purposes of the subject, the geographical area under study is limited to the present territorial jurisdiction of Taiwan rather than the pre-1949 ROC. This reiterates the concept of the ROC on Taiwan and denounces the idea of Taiwan as a periphery of the ROC. Secondly, instead of making the 'provincial' distinction between mainlanders and non-mainlanders on Taiwan, the subject emphasizes the importance of social solidarity and the sharing of a common identity of 'Taiwan people' regardless of ethnicity, places of origins and when residence began in Taiwan. This is very similar to the concept of the new Taiwanese that the former President Li Denghui is advocating. Thirdly, the subject stresses the importance of the 'spirit' (*jingshen*) or 'soul' (*hun*) of Taiwan that is inherited from the attitudes and lifestyles of Taiwan people who have striven for their own fate on the island for nearly three centuries despite different sorts of external challenges. They are described as those who have ability to develop an adventure spirit, to overcome barriers in the keen competition in the international community, to work and strive hard, and not to bow down to the 'threats through newspapers and with military force' (*wengong wuxia*) from the Chinese communist regime (before the first popular presidential election in Taiwan in March 1996). Fourthly, 'Taiwan people' are described as 'masters' of their past and future, rather than colonized by the KMT or other regimes, on Taiwan. They are given

the responsibility to build up a 'new Taiwan' (instead of being a force to recover the Chinese mainland), to sustain democratic development and social harmony, to develop respect for law, and, most importantly, 'to defend Taiwan with determination and courage' against external military threats and control.

These changes in the contents of geography and history are criticized for expressing a strong tone of Taiwan independence and for the self-limitation of Taiwan ambitions to the island itself. In July 1997, the New Party which advocated a quick pace for unification between Taiwan and the PRC organized a group of over 100 supporters to 'egg-wash' (i.e., to throw eggs at) the MoE, and protested against the incorporation of these independence themes into school textbooks. Despite criticisms, the KMT continues to advocate the theme of Taiwan as an autonomous political entity independent of the PRC. In June 1999, the Examination Yuan decided to increase gradually in civil servant examinations the percentages of content on Taiwan's geography and history to 40 and 26 respectively.

The incorporation of global paradigms and practices, and preparation for economic globalization

In addition to the emphasis on local identity and cultures, the Taiwan state has incorporated educational paradigms, notions or practices that receive more emphasis and spread faster in this decade because of globalization. They are: the institutionalization of accountability, introduction of lifelong education, equipment of students with transnational competences in languages and information and communication technology, and the facilitation of the freer flow of people and educational services. Except for the first one, all these emphases are related to Taiwan's awareness of the world as a whole and to a sense of crisis and opportunity arising from economic globalization.

The creation of accountability mechanisms

The democratization of the education system in Taiwan does not mean the complete removal of the state's influence. On the contrary, accountability mechanisms are being gradually strengthened to hold public or private education institutions accountable for institutional efficiency and the use of public money or income generated from student fees. Although the MoE began to use institutional evaluation to assess the performance of kindergartens, schools, universities and colleges in 1975, this kind of evaluation was not very meaningful during the past author-

itarian era. Since the curriculum, personnel and finance of publicly funded universities and schools were tightly controlled by the MoE, an evaluation of the institution's performance and quality meant indirectly an assessment of the MoE's. It was not uncommon that this kind of evaluation exercise was merely an administration 'ritual' and the results had very limited influence on staff appointments and state subsidies to universities and schools.

After the deregulation of education, schools and particularly universities have more autonomy in managing their own internal affairs, but the MoE bolsters institutional evaluation as an alternative means to keep its control over education. In the early 1990s, the MoE began to ask public and private universities and colleges to submit different types of development plans to justify state grants or subsidies. In the late 1990s, the MoE introduced and organized a large-scale and comprehensive evaluation exercise. Between November 1997 and January 1998, 62 (nearly 80% of) public and private universities and colleges were assessed. One year later, the MoE extended the review exercise from higher education to vocational and technological education, and began to assess, in three years, all public and private senior vocational schools and the vocational courses of comprehensive senior high schools (which also offer the general senior high curriculum).

The institutionalization of lifelong education and a learning society

Besides accountability, the Taiwan state institutionalizes the notion of lifelong education. The Taiwan state accepts the prediction that the future society is a learning society and believes that the development of lifelong education could help Taiwan to make the transition from a developing to a developed economy, and to enhance its competitive advantage in the international economy (Ministry of Education, 1998c). Therefore, the Taiwan state has repeatedly stressed the creation of Taiwan into a learning society as an important task of education. Similar to the European Union that specified 1996 as the European year of the lifelong learning society, the Taiwan state designated 1998 as the year of lifelong education. It also introduces a series of measures to institutionalize the concepts of lifelong education at both policy and systemic levels (Yang, 1998). Three measures are selected here for illustration: the promulgation of the lifelong education White Paper, the promotion of recurrent education, and the development of learning social organizations and private enterprises.

The first measure is to turn the provision and development of life-

long education into an educational policy. As in many countries like Germany, Japan, United States and United Kingdom, in 1998 the MoE of Taiwan issued a White Paper laying out a blueprint for the development of lifelong education and a learning society in Taiwan. The paper emphasizes the necessity for all Taiwan people to learn in different life stages and make progress with time (Ministry of Education, 1998d). The paper also outlines eight goals for the building up of a learning society in which everyone has opportunities to learn at every stage of life. They are:

(1) the pursuit of new knowledge,
(2) adaptation of schools to a learning society,
(3) the promotion of community participation,
(4) the integration of formal and informal education systems,
(5) the fostering a global outlook and knowledge of the global village,
(6) the ignition of learning ability,
(7) the protection of the learning rights of all people, and
(8) the recognition of the learning achievements of all people.

The second measure is to develop recurrent education to allow people to enter universities for studies. This also strengthens the function of the formal education system in the provision of in-service training to various types of workers at the post-compulsory school level. From the late 1990s, universities are allowed to offer in-service programmes to part-timers at the master and bachelor levels. The master programmes admit university graduates (or those with equivalent qualifications). In-service students of the latter category are required to pass admission examinations (40% of total score), demonstrate working experience and professional achievements (30%), and submit evidence, for example, portfolios, professional reports or research proposal to show their professional knowledge and learning ability (30%). In 1999, about 3,500 approved quota places were given to about 140 postgraduate institutes. Like their master counterparts, applicants for such in-service courses need to have a certain period of working experience. Unlike the master counterparts, the bachelor programmes admit only graduates from junior colleges with relevant specialisms, and no admission examinations are required. The course length is two years. In addition, the schools of continuing education in different universities are encouraged to offer five-year bachelor courses to working youths or other working people.

The third measure, in contrast to the second, is to extend the arena

of learning from the formal education system to include the informal one and to deliver educational services to learners in their living or working community. One such extension is the establishment of community colleges or local universities with a view to enhancing people's knowledge and ability, and reducing the disparity between rural and urban areas. As of 1999, community colleges were established in six counties and cities. Compared to that of traditional universities, the setup cost of community colleges or universities was relatively low and ranged from NT$5 million (Qingcao Community College in Hsinchu County) to NT$10 million (Wenshan Community College in Taipei). This was because they rented schools and community centres for classrooms. However, a majority of the funding of community colleges or universities came from local governments and they could not award degrees.

Another extension is the conversion of social agencies and private enterprises into learning organizations such as learning hospitals and learning enterprises. In 1999, the MoE announced that, from August 2000, these could apply to the MoE for the accreditation and recognition of their courses. If successful, they could issue certificates of learning with which people could apply for jobs a exemption in further studies, and as evidence to support applications for promotion or change of career. Families are also targets of lifelong education. The Taiwan state has planned to establish, between 2000 and 2004, one million ordinary learning families covering about 3.5 million people and another 1.5 million families of various socially disadvantaged groups (such as single-parent families) covering over five million people so as to enhance their ability to solve family problems, to adapt to social change, and prevent social and criminal problems (Ministry of Education, 1999d). This measure could help the Taiwan state to utilize resources available in society in the materialization of lifelong education and also to increase the penetration of the concepts of lifelong education into different social strata and social units.

There are other measures in place to promote lifelong education, such as, the encouragement of all people to learn foreign languages, certification of bilingual services (as discussed later), and the issue of lifelong education passports as a record of citizens' lifelong learning, and as evidence in the consideration of promotion and job applications. The recent promotion of lifelong education has four implications for the Taiwan state in the consolidation of the lifelong education policy. First, the measures should meet the specific needs of target groups as much as possible; otherwise efforts and resources would be wasted. Secondly,

the hasty promotion of lifelong education may temporarily gain the applause of certain elected people's representatives, but this could backfire later. For example, despite the speed and low cost of establishment, community colleges or universities are seriously criticized for the shortage of qualified teachers, unclear positioning in the education system, and immature curriculum planning. Thirdly, it is essential for the state to provide both employers and their staff with incentives including tax reduction for the former and paid study leave for the latter. Fourthly, similar to the Lifelong Learning Act in the United States (1976) and the Act of Lifelong Education and Revival in Japan (1990), it is necessary for the Taiwan state to enact a specific law to enforce the policy of lifelong education and redirect resources to this end (Ke, 1998).

Emphasis on the learning of foreign languages

In the 1990s, the Taiwan state began to create a language environment that facilitates economic globalization and the freer flow of information across borders, and equips its people with competence in foreign languages. There are four major reasons for such a new emphasis. First, business for Taiwan in the international economy requires proficiency in foreign languages (Her, 1998). Secondly, Taiwan has extended its links of various kinds beyond the English-speaking world. Therefore, Taiwan people's proficiency in foreign languages other than English is equally important. Thirdly, the Taiwan state feels that there is an urgent need to foster students' with international perspective and outlook. Fourthly, proficiency in foreign languages could also help students to have better opportunities for further studies and future careers in the age of economic globalization and the knowledge-based economy.

However, language has been a barrier for Taiwan in getting more involved in the movement of economic globalization and flow of information through the internet. The language barrier is twofold. One aspect of the problem is the Chinese-language proficiency of foreigners, particularly non-Chinese speaking people, who travel to and do business in Taiwan or surf Taiwan-based web sites. In Taiwan, the common written language is traditional Chinese. It seems that phonetic alphabets could help foreigners to know the Chinese names of people, streets and buildings in Taiwan. However, there are nearly ten phonological systems including the longstanding Wade–Giles method and Hanyu Pinyin system that are widely used in the Chinese-speaking world including the PRC. It is not uncommon that there are two different transcribed names of the same street. This not only confuses both foreigners and Taiwan people, but also lowers the efficiency of public or social

organizations such as post offices that are responsible for the delivery of written messages from foreign countries. To overcome this obstacle, in 1999 the Taiwan state finally decided to adopt Hanyu Pinyin as the standardized phonetic system for learning Mandarin and local dialects, and to romanize street names, names on map and passports and advertisements. Over two million primary students began to learn the Hanyu Pinyin system in addition to the modified Wade–Giles method.

Another aspect of the language barrier is the foreign language proficiency of Taiwan people in communication with people of other countries. For decades in Taiwan, English has been the most dominant foreign language. It has also been a compulsory subject in secondary school and university. Despite this, many graduates, including English majors, have been criticized for being unable to speak and listen to English well (Chang, 1998). To increase the foreign language proficiency of Taiwan people, the state is promoting a scheme for learning foreign languages across the island. In particular, the MoE has introduced four measures: the certification of bilingual services, institutionalization of language benchmark examinations, downward extension of teaching English as the first foreign language to primary students, and the development of teaching second foreign languages.

The first measure is the introduction of certification of bilingual services. In July 1999, the MoE launched the scheme of the Express Train for All People Learning Foreign Languages and began to promote the concept of a certificate of bilingual services demonstrating the ability to speak mandarin and a foreign language. English and Japanese are the first two priority foreign languages. Six major occupations that have high likelihood of contact with foreigners were selected for intensive foreign language training. They include taxi-drivers, workers in restaurant services, operators of enterprises, ticket-sellers in transportation services, sales personal, particularly in tourist areas, and traffic police officers (the next target group would be those who often travel abroad). With the help of labour unions and community services agencies, the MoE offered parallel intensive courses on English and Japanese in early 2000. The English intensive course trained about 50,000 front-line workers of the six chosen occupations in the use of 50 common English sentences. After passing the course, participants were given a certificate. They could hang the certificate in their workplace to show that they or their shops were qualified to provide bilingual services.

As in Japan and the PRC, the second measure of the Taiwan state to promote foreign languages is the institutionalization of its own English language benchmark examination, the General English Proficiency Test

(GEPT). It is open to all people in Taiwan and the test results are expected to be recognized as qualifications in the application for jobs or admissions to schools or universities. The four major skills to be tested are listening, speaking, reading and writing. The GEPT is divided into five levels: elementary, intermediate, high-intermediate, advanced and superior. The elementary level represents the proficiency of junior high graduates who know about 2,000 words and are able to communicate in simple English. The superior level is equivalent almost to the standards of native speakers who know about 15,000 words and could use English properly and effectively on more demanding occasions, such as, academic seminars. In January 2000, the GEPT of the immediate level (equivalent to English proficiency of senior high graduates) was conducted. It is expected that all five levels of tests could be in place by 2002. However, there was a debate over whether Taiwan should adopt and transplant the existing English proficiency tests from the United States or United Kingdom. The MoE rejected the idea of borrowing and invited the Language Training and Testing Center of the Taiwan University to design tests whose contents are related to the life experiences and characteristics of Taiwan.

The third measure is the extension of learning English language from junior high to elementary education. Formerly, English classes started at the junior high level. The incorporation of English language into the elementary curriculum began with local initiatives in the early 1990s. In Taipei City, the Municipal Bureau of Education introduced the teaching of English as extracurricular activity in 20 elementary schools in 1993–4. Four years later, a four-year experimental programme was launched to make English language a regular subject in elementary schools. The programme started with third grade and was expected to extend by one grade a year to the sixth grade in 2000–01. In response to the programme, 19 (of 149) elementary schools opted for teaching English as a time-table subject whereas 93 chose to offer it as an elective often on an extracurricular basis (Her, 1998). In 1998–9, the programme was extended to the rest of elementary schools in Taipei. A similar experimental programme was initiated in Kaohsiung, Taipei County and Ilan County (Shi, 1998). Based on these local experiences, in 1998–9 the MoE announced that, from 2001–02, English language would be an official component of the elementary curriculum as a compulsory subject for fifth and sixth graders, and as an elective for third or fourth graders across Taiwan.

The fourth measure is the promotion of the learning of second foreign languages as an elective in senior high schools (in which English

language as the first foreign language has already been a compulsory subject for decades). In 1996–7, the MoE launched a three-year pilot scheme of learning second foreign languages as an elective, two to four hours per week, in grades 11 and 12. Up to 1998, 23 schools joined the pilot scheme and each school was subsidized with US$30,300. The language choices include French, German, Japanese and Spanish. Among them, Japanese is the most popular choice. Of 4,316 students who took a second foreign language in 1998, about 60% of them took Japanese, 20% French, 20% German, and less than 1% Spanish (Chen, M.L. 1998). The popularity of Japanese could be attributed to the colonial legacy of Taiwan, the widespread circulation of Japanese comics, songs and video compact discs amongst youngsters, and the functional use of Japanese in trade. Based on the experimental scheme, in 1999 the MoE launched another five-year plan of promoting second foreign languages as elective (1999–2004). For this, the MoE earmarked US$2.7 million (Ministry of Education, 1999f). In response, 55 senior high schools offered a total of 390 second foreign language classes in 1999–2000. It is expected that 35% of senior high schools would offer such electives by 2004.

However, the rapid and large-scale expansion of teaching and learning foreign languages has raised three major problems. The first and the most immediate one is the severe shortage of qualified language teachers. For the island-wide language initiative in elementary schools starting from 2000–01, it is estimated that an additional 2,000 or 3,500 elementary English language teachers would be required depending on whether the estimation is based on total class time or total number of classes. However, up to 1998, teachers colleges responsible for training elementary school teachers did not have majors in English or foreign languages, except electives. Normal universities or colleges that have training programmes for teaching English could not train so many English teachers within such a short time span. The shortage of qualified second foreign language teachers is also serious. In a survey of 17 pilot schools by the MoE in 1998, only 21% of 62 second foreign language teachers were qualified secondary school teachers, and the rest did not have teacher training but were on a part-time basis: full-time university teachers (53%), research students (5%), native speakers (13%) and others (8%) (calculated from Wang, 1998).

To deal with the shortage problem of English teachers in elementary schools, the MoE opened up the market in the teaching of English language, as an emergency measure. Formerly, only graduates of English education were allowed to teach English in public schools. Graduates of other majors including English were not allowed to teach English. In

1999, the MoE recruited, for the first time, non-teaching professionals (as well as serving elementary teachers) who were good at English but had no teacher training to teach English. An unprecedented, and one-off, English language proficiency examination was conducted (Ministry of Education, 1999c). As a result, the recruitment exercise invited nearly 50,000 candidates and 7.8% of them passed the proficiency examination, equivalent to scoring about 600 marks in American TOEFL (*China Daily News*, 10 June 1999). To ensure the quality of teaching, those successful candidates who had no teaching training were required to take a 360-hour intensive course on language education (including courses on English Proficiency and English Language Teaching) in the summer of 1999, and then a one-year education course and one-year teaching practice. As a long-term measure, the MoE encouraged and allocated resources to teacher training institutes to offer courses to train elementary English teachers. In 1999–2000, nine normal colleges admitted a total of 450 full-time students and 630 part-time students to their new English education programmes. In contrast, the shortage problem of teachers of second foreign languages has not received high attention yet, although the training of these teachers is one of the emphases in the five-year plan for promoting second foreign languages (Ministry of Education, 1999f).

The second problem of teaching and learning foreign languages is the inconsistency of policy between central and local government and the differences in expectations between the state and parents about when children should start learning foreign languages. No consensus between the MoE, local government and parents has been reached. As mentioned earlier, the MoE advocates the learning of English language at grade five. Local education bureaus of important cities such as Taipei support the learning at grade three. Many parents prefer their children to start learning English at a much earlier stage, for example, at the first two grades or even kindergarten. If schools or central and local government could not meet their expectations, they could send their children to cram schools as many parents did in the past and are doing now. The rationale of these parents is not too difficult to understand. They want their children to have a competitive edge over other classmates in the first year of formal competition in English language in school.

The third problem is the increase in examination pressure on students, which would run contrary to the direction of the current education reform. On the one hand, the Taiwan state attempts to reduce examination pressures on students through the diversification of channels of admission and the abolition of joint admission examinations.

On the other hand, performance in English benchmark examination as an admission criterion resurrects the joint examination and extends the study stress to lower educational levels. In November 1999, the children's English language benchmark examination attracted over 150,000 children. This examination could be regarded as a small-scale joint examination. Many junior secondary schools or cram schools sent their students in batches to sit for this examination in preparation for the senior secondary admission exercise in 2000. Further analysis suggests that there is a larger proportion of students taking this examination at the earlier educational levels.

The promotion of the use of information technology (IT) in education

As in many societies, the advance of IT compels Taiwan to invest resources in the use of IT in education. Despite ranking high in the IT industry in the world, Taiwan does not rank top in the application of IT in home, daily life and particularly education. In education, the use of IT in teaching and learning is much poorer. One possible explanation is that IT had been regarded as a particular kind of vocational skill rather than a basic skill similar to literacy and numeracy. This was reflected in the curriculum. In 1986, the Taiwan state introduced compulsory computer-related courses into senior vocational schools and junior colleges only. No similar component was introduced into elementary, junior high and senior high curricula although some schools organized computer-related activities for their students. The IT facilities in schools were also poor (Ministry of Education, 1997c).

In the mid-1990s, the Taiwan state began to enhance the connectivity of Taiwan within its borders and with the international community by promulgating the National Information Infrastructure Plan (NIIP). As an extension of the NIIP, in 1996 the MoE formulated a four-year IT plan (1997–2001) to improve the basic IT infrastructure in the school sector (Ministry of Education, 1996). The plan reflects the change in the MoE's perception of IT, that of IT as a vocational skill to one as a kind of basic literacy. A broad vision of the plan is to equip teachers and students with the ability to utilize cyber resources and process information, and help them develop the habit of applying the information in daily life, with a view to influencing millions of families and enhancing the competitive edge of Taiwan in the information era (Ministry of Education, 1998f).

Under the plan, three urgent measures were introduced to promote the use of IT in education. The first measure is to speed up the upgrade

of the basic IT infrastructure and hardware. Originally, the MoE planned to extend the establishment of multimedia learning gradually to all elementary and junior secondary schools by 2001, and increase the percentage of schools equipped with connectivity to TANet (Taiwan Academic Network) to 80%. However, the fast development of IT in education in neighbouring Asian societies such as Singapore stimulated the MoE of Taiwan to enlarge the scheme to expand the scope of connectivity to cover all schools and shorten the period of implementation to 1999 (Ministry of Education, 1998f). For this, the Taiwan state earmarked about US$200 million in 1999. One central and 77 local IT resources centres were also established to collect and share resources and reduce disparities between urban and rural areas (Ministry of Education, 1999e). In addition to the establishment of a multimedia learning room in every school, the MoE has decided to spend US$250 million to install computer workstations in every classroom by 2002 or 2003. To make it possible for every student to have a computer in his or her home, the MoE, together with ten banks, has also set up a loan of about US$65 million for students from low-income families.

Another urgent measure to promote IT in school education is the downward extension of IT courses as an essential part of the curriculum from junior colleges to elementary schools. IT lessons began to be offered as elective activities for students from third to sixth grade in elementary schools in 1996, as compulsory subject for students of eighth and ninth grades in junior high schools in 1997, and as elective courses for students of eleventh or twelfth grade in senior high schools in 1998. In these courses, for example, junior high students are expected to learn the basic knowledge of computer hardware and software, master basic skills (such as word processing, use of email and the internet, management of information and simple programming), and develop an awareness of ethics in the use of IT.

The third measure is to provide courses for teachers to upgrade their IT skills and to set benchmarks for them. The application of IT in teaching is new to nearly all teachers. In many cases, teachers are less familiar with IT and less experienced in its application than their students. IT training for teachers is absolutely essential. The four-year IT plan suggests that, by 2001, 70% of teachers of all types of schools be expected to master basic knowledge and skills of IT. For elementary or junior secondary teachers, the criteria, as listed in the expanded scheme, include the use of electronic mail for communication, the application of IT as an interactive medium of teaching and as a tool to facilitate school administration, and the utilization of information available on

the internet to supplement daily teaching materials (Ministry of Education, 1998f). To force schools to compel their teachers to learn and use IT, the MoE set a self-assessment form for elementary or junior high schools and asked them to evaluate their overall proficiency in the use of IT in administration and teaching and learning.

Compared to schools, higher education institutions in Taiwan have better IT infrastructure, and make wider application of IT in teaching and learning. The advancement of IT forces the MoE in Taiwan to lift restrictions on distance learning. In 1997, the MoE officially recognized synchronous distance learning, that is, live delivery of lectures or instruction in different sites at the same time. This measure of liberation has an impact on the local higher education sector and its collaboration with education institutions abroad. In 1997, over 70 universities and colleges in Taiwan offered a total of over 100 online courses particularly on general education to students of the same or other institutions. Following the example of Stanford University, which was the first to do this in the United States, the Research Institute of Computer Science and Information Engineering of the Central University of Taiwan decided to offer in 2000–01 a cyber course leading to degree qualifications and is waiting for the MoE's approval.

In 1999, the MoE further lifted the cap on distance education by recognizing a synchronous mode of learning. In response, Chung Cheng University of Taiwan, together with Global Virtual University and Queensland University of Australia, offered the first cyber course on electronic business for Chinese in Taiwan and Australia in 1999–2000. Chung Yuan University joined the Cyberspace International Universities to promote distant management education for managers and executives of enterprises in developing countries. The Chung Cheng University of Taiwan and Victoria University of New Zealand delivered courses to students of both institutions through the internet and satellite, and are planning to post their courses on the web and allow their students to select courses from the other institution. It is still early to comment on how the liberation of distance learning through the internet affects curriculum development and students in Taiwan. However, a wider use of IT in schools and universities has begun.

The partial deregulation of educational market protectionism

In the 1990s, Taiwan began to change its strategy of engagement in the international education market from protectionism to a partial raising of the restrictions on the flow of students, academics and educational services across its borders. In the past, Taiwan had a strong record of

buying foreign educational services. The number of student visas issued by the Taiwan state increased from about 200 in 1950 to 22,600 in 1991. The most desirable target countries for Taiwan students were the United States, the United Kingdom, Canada and Japan. There were also numerous academic exchanges and collaborations between higher education institutions of Taiwan and there of foreign countries. However, Taiwan also strongly protected its domestic education market. No foreign education institutions were (and are) allowed to recruit students, offer courses, or establish branches in Taiwan. Overseas degrees earned by Taiwan's students through distance learning were not recognized. Foreign master and doctoral courses taken by Taiwan students were also not recognized if they did not stay continuously overseas for at least two semesters (or three quarters) and four semesters (or six quarters) respectively. However, protectionism in Taiwan does not facilitate the pursuit of further studies by its students and the implementation of current education reform which emphasizes the professional development and life-long learning of teachers and other professionals by acquising knowledge from abroad during summer or winter vacations.

To engage more deeply in the global educational market, Taiwan has introduced three important types of measures to facilitate the freer flow of students, academics, knowledge and educational services within and across its geographical borders. First of all, in addition to the self-initiatives of higher education institutes, the Taiwan state has intensified support for academic exchange and collaboration with other countries. The Taiwan state began to diversify its country list to include the former and remaining socialist countries after the lifting of martial law in 1987. In particular, 18,392 scholars and 1,170 students from the PRC visited Taiwan between 1987 and 1998 (Mainland Affairs Council, 1998). The MoE also invited and sponsored important university executives and academics to visit academic and cultural establishments in Taiwan. In 1997 alone, over 115 university presidents, deans, world-renowned scholars including Nobel laureates, and international student advisors were invited (Li, 1998). Financially, the MoE extended the list of subsidies to international exchange from universities to junior colleges. Up to 1999, 35 junior colleges of technology had developed partnerships with about 160 counterparts in different countries (Technological and Vocational Education Department, 1999). To promote a wider exchange, in 1999 the MoE listed, for the first time, international exchange of junior colleges of technology as a special item in the government budget. The ceiling of subsidy for each successful junior college is about US$12,000.

Secondly, Taiwan has attempted to tap foreign education markets so as to maintain the international character of its higher education institutions (i.e., enrolling students or inviting scholars from other countries). Since the 1950s, Taiwan has admitted foreign students. Although the number of universities and colleges that were approved by the MoE to admit foreign students increased to 50, the number of foreign students in Taiwan decreased from 5,900 in 1990–91 to 5,109 in 1998–9 (Ministry of Education, 1999g). Analysis of the past figures further suggests that Taiwan's source regions were very limited. Of the 105,793 foreign students in Taiwan between 1955–6 and 1998–9, 61.6% came from Asia, 23.5% from the American continent, 12.6% from Europe, 0.8% from Africa and 1.5% from Oceania (calculated from Ministry of Education, 1999g). Moreover, except for Chinese language, Taiwan does not have strong or distinguished disciplines to attract foreign students particularly from advanced economies. Of the 5,210 foreign students in 1997–8, 94% majored in humanities (particularly Chinese language, 87%), 5% in social sciences, and 1% in science and technologies.

Recognizing these limitations and capitalizing on its comparative advantages, the Taiwan state adopts the approach of 'locking on' to attract foreign students and academics to come to Taiwan. Regarding disciplines, the MoE specifies sinology (covering the studies of Chinese politics, economy, history, languages and cultures) as a key discipline for promotion. The MoE increased subsidies to sinological studies so as to compete with the PRC in the international academic community. From 1998, a total of 120 scholarships a year are given to foreign students and university teachers (including researchers) from outside Taiwan (and the PRC) who want to pursue sinological studies in Taiwan (Ministry of Education, 1998b). Each scholarship is about US$470 per month for a maximum of 10 months. For lecturing on sinology, monthly stipends would be given to a total of 20 university teachers or researchers a year; US$780 per month to each international scholar coming from outside Taiwan (and the PRC), or US$2,000 to each Taiwan scholar going abroad. Regarding geographical areas, Taiwan sets Southeast Asia as a major target region, and children of Taiwan people living in this region as the first major target group. To attract them to pursue further studies in Taiwan, the MoE increased the admissions quota particularly of the faculties of medicine and dentistry (rather than sinology) in different Taiwan universities, promoted the recruitment of students from Southeast Asia, and developed parallel programmes with schools in Southeast Asia. Taiwan's higher

education institutions also conduct joint exhibitions in Southeast Asia.

Thirdly, Taiwan has eased the restrictions on the tapping of its domestic teaching and student markets by foreign countries. In 1997 the Taiwan state revised the Employment Services Act and liberated the importation of college and university professors and foreign language teachers of cram schools (together with high-technology specialists, business managers, coaches and athletes, and professionals in the religious and cultural sectors). To facilitate the importation further, the Taiwan state lifted the annual quota of foreign employees, simplified the procedures for the application of work permits, extended the legal duration of stay from six months to one to three years, and loosened the qualifications for foreign specialists (Sheng, 1998). For the education of foreign employees' children, international schools offering the curricula of their own countries are allowed to be established. As of 1999, there were about 20 such schools. They must meet the requirements of their own countries on curriculum, teachers' qualifications, fees and recruitment.

The domestic student market of Taiwan is also partially opened up. On application for overseas studies, from 1986 the MoE no longer requires self-financing students to seek for its approval for studying abroad. A decade later, male students who have not fulfilled the duties of military service are allowed to go abroad for study or research for a maximum period of one year. More importantly, the MoE has lifted the cap on the recognition of overseas degrees earned by Taiwan students (*waiwei neixiu*). According to the new regulations, the minimum period of staying overseas for postgraduate studies is cumulative (rather than continuous) and shortened to eight and 16 months for master and doctoral degrees respectively (Ministry of Education, 1999b). Foreign courses taken in Taiwan through distance learning could be as much as one third of the total credits required for graduation. Regarding online courses, the MoE, as mentioned earlier, accepts both synchronous and asynchronous distance learning within and outside Taiwan. Credits earned by Taiwan students in short-term programmes of exchange with foreign (or other local) universities could be transferred back to their home institutions.

The partial liberalization of distant, particularly online, education and recognition of overseas degrees in Taiwan bring both benefits and challenges to its education, particularly higher education. The advantages include the sharing of resources across geographical borders, provision

of more choice of institutions and courses for Taiwan students to select from, larger flexibility of learning in terms of time and location, increase in opportunity to be exposed to foreign knowledge and cultures, and substantial reduction in the cost of getting overseas degrees. Subsequently, major challenges have been posted to the Taiwan education system, although the culture of teaching and learning on the internet has yet to be developed. These are: the intensification of competition for students between teachers of the same university and between universities in Taiwan; the potential loss of Taiwan students to top schools or universities of foreign countries; the pressure on Taiwan's universities and schools to improve the sophistication of their technological infrastructure, and on teachers to enhance the quality of their instruction and to acquire new skills of teaching on the web; and the development of evaluation systems that could help monitor the progress of students who take online courses.

However, the opening up of domestic education markets to foreign countries does not necessarily mean the complete removal of state control. On the contrary, the Taiwan state still prescribes the limits of opening up. Taiwan still maintains the minimization of foreign control on Taiwan's education. Although foreigners could establish private education institutions at the post-compulsory level, their chairpersons of the boards of directors and principals must be Taiwan-passport holders (Legislative Yuan, 1997). Foreigners could not dominate the board of directors because it is stipulated that they could not take up more than one third of seats. Thirdly, there are regulations about the cultural task of schools in Taiwan in the transmission of Chinese culture. International schools are required to offer Chinese language, Chinese history and Chinese geography so as to help their students to learn about Chinese culture. Unlike their counterparts in Hong Kong, international schools in Taiwan are not allowed to recruit local students. The fourth factor is related to the traditional belief of teaching and learning. The MoE insists on putting a cap on the recognition of up to two-thirds of distance (and online) courses only. Its major justifications for the ceiling are the difficulty in controlling the quality of distance courses and its belief in the importance of interactions between students and the formation of personal character through a traditional mode of learning that could not be fulfilled by IT. How long these four controls would last remains to be seen. However, they have protected Taiwan's education market almost totally from foreign control or domination; however, they are expected to be challenged vigorously particularly after

Taiwan joins the WTO and when IT is widely utilized in teaching and learning in the early twenty-first century.

Conclusions

This chapter has demonstrated that the engagement in economic globalization in Taiwan does not necessarily lead to the dominance of global forces over domestic forces, the disempowerment of the state and the undermining of local cultures and values. On the contrary, Taiwan accommodates different spectra of plurality and demonstrates the coexistence of democratization, localization and engagement in economic globalization during social transformation and education reform. Within the framework of plurality, both global and domestic forces affect society and education in Taiwan. Despite concessions to supranational agencies or newly empowered domestic actors, the Taiwan state plays a strategic role in directing, facilitating and balancing the three processes of change. As a result, global processes and imperatives are selectively accommodated and materialized; many local actors are empowered; local languages and cultures are emphasized; and a new 'national' identity is being developed. In particular, these are translated by policy makers, together with other local actors, into the education system through policy planning; revision or enactment of laws and regulations; redirection of, or increase in, financial resources; and making changes or innovations at the systemic or curriculum level.

Among the three processes, democratization and Taiwanization in education reform in Taiwan are as intensive and penetrative as in sociopolitical transformation. The democratic movement in education contributed to the breaking of the monopoly of the state and the diversification of the locus of control to include as many stakeholders as possible. However, as in many other countries such as the United States and Japan, education in Taiwan responds to the challenges of economic globalization more slowly and less extensively than the economy. Unlike economic globalization, the globalization of education has not emerged and global pressure on the deregulation of national education markets is not as strong as in the international economy. Despite the wider and faster global spread of knowledge and educational paradigms and practices, the interdependence, interconnectivity and interpenetration of the national education systems of Taiwan and other countries are far less than that between their economies. There are three explanations. Firstly, there is no strong supranational education-related agency, similar to the WTO in the economic sector, to compel Taiwan

to break its educational protectionism and open up its education market. Secondly, unlike competition in the international economic market, Taiwan not only has no strong urgency to enlarge the opportunity of tapping overseas education markets, but also has no great ability to tap overseas education markets except the Chinese language education market and Chinese student market in Southeast Asia. Thirdly, and more importantly, education is mainly a domestic business and educational policy-making is also mainly a domestic exercise of compromise between educational, economic, political and cultural considerations. As reflected in the coexistence of three processes of change in education reform, the redefinition and rebuilding of 'national' identity and its recognition in the international community are as important to Taiwan as the participation in, and preparation for, economic globalization in the twenty-first century.

The three processes of change in education reform in Taiwan also generate four new dilemmas concerning the accommodation of plurality. The first dilemma is the demand for accountability of universities and schools (and their teachers) to the state on behalf of taxpayers or payers (such as parents and students) and the empowerment of teachers in administration and policy-making at various levels. This is a fundamental conflict in interests between the state and the teaching profession. To train teachers with knowledge and skills to manage their profession and to be accountable to stakeholders is an urgent task of both initial and continuous teacher education.

The second tension is between the learning of local languages (including dialects) for the preservation of homeland cultures and the mastery of foreign languages and IT skills to improve transnational competence in preparation for global competition. Languages and information acquired on the internet are often culturally bounded, and cultural clashes may arise in the learning processes of students. Both the state and schools may need to minimize these clashes and prepare for their resolution when they arise.

The third dilemma is between the enhancement of knowledge about historical and contemporary Taiwan as homeland and development of the awareness of the world as a whole and the interconnectivity of Taiwan with other countries, at least on the internet. Taiwan's students are increasingly caught between three identities: Taiwanese, Chinese and global. The introduction of the local and global dimensions to the collective identity of Taiwan people is expected by the Taiwan state to redefine their concepts of homeland with less affiliation with the Chinese mainland. However, after the return of Hong Kong

and Macau to the PRC, Taiwan now becomes the remaining place with which the PRC regime has explicitly indicated its determination to integrate. In other words, the 'national' identity issue of Taiwan is more pressing and more difficult to be solved by Taiwan alone.

The fourth tension is between the protection of Taiwan's domestic education market and the pressure on opening it up to other countries when Taiwan increasingly engages in economic globalization and accepts the game of deregulation in global competition. In order to avoid being over-tapped by other countries and to make exchange less unequal, it is necessary for Taiwan to adopt a more proactive approach to developing at least several areas of excellence (in addition to sinology) particularly in higher education to attract foreign students and train more scholars and researchers to reach international standards. Otherwise, Taiwan will remain at the periphery of the international academic world.

How the replacement of the KMT by the DPP in leadership in mid-2000 affects the three processes of change and the balance of these dilemmas remains unclear. However, the three processes of change in Taiwan have not been completed. They are also the directions of change that were promised by the new President Chen (2000) in his education policy platform during the presidential election. They are expected to continue to play a significant role in shaping its social transformation and education reform, and the trilateral relations and interactions between Taiwan, the PRC and the rest of the globe.

Note

1. The term 'national' refers to the attempt of the Taiwan state to strive for the international recognition of Taiwan as an independent sovereign nation state. For the complexity of the issue, see the discussion in the chapter.

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5

The Quest for Quality Education and a Learning Society in Hong Kong

Ka-ho Mok and Paul Wilding

Introduction

In the opening paragraph of the Policy Objective for the Education and Manpower Bureau of the Government of Hong Kong Special Administrative Region (HKSAR), education is regarded as the key to the future development of Hong Kong. Like other societies, Hong Kong has to face the challenges of the twenty-first century and, therefore, there is a strong need to prepare Hong Kong for a rapidly changing knowledge-based global society. HKSAR is committed to providing quality education at all stages as it recognizes the significant role of education, not only in imparting basic knowledge and skills but also in nurturing people to be independent thinkers and life-long learners. In his recent Policy Address, Mr. Tung Chee Hwa, Chief Executive of HKSAR, has stressed the significant role of education and he also believes education policy is at the very core of social policy in Hong Kong. In order to offer quality education in Hong Kong, the Education Commission (EC) has started a comprehensive review of the existing education system, with the intention of drawing up a blueprint for the twenty-first century. In its recent review of the education system in Hong Kong, the EC has adopted the idea of 'life-wide learning' as the guiding principle.

The principal goal of this chapter is to examine how HKSAR has tried to pursue quality education in Hong Kong. More specifically, the major focus is to examine and analyse the most recent reform measures adopted by the HKSAR to improve education quality. As there have been various kinds of education-related reforms launched by the government in the past few years, this chapter focuses on how HKSAR has attempted to restructure the education system and to promote quality education. Other reforms such as the management reform of the Education Depart-

ment and the language proficiency issue will not be covered. At the end of the chapter, we will examine whether HKSAR has changed its role in education, particularly exploring the changes in the mode of governance of education in the SAR.

The quest for quality education in HKSAR

The popularity of managerialism and the call for a quality service

The 1980s saw the development in Britain and elsewhere of a new concern for quality in public and social services. Prior to the 1980s the word 'quality' hardly figured in the vocabulary of policy analysis. By the mid-1990s it was firmly entrenched as a central concern. For example, the World Bank review Priorities and Strategies for Education (World Bank, 1994) pinpointed the enhancement of quality in education as one of its six key areas of reform (p. 155) and it devoted a substantial chapter to an analysis of 'Improving Quality'.

First it is important to understand why quality has emerged as an important policy concern in recent years. The roots of the concern are both practical and ideological. In the early years of all public services the primary concern is bound to be with quantity – with securing enough school places or hospital beds. The quality of the service is inevitably and properly secondary. When the initial and obvious quantity problems have been solved, concern turns to the quality of what is being provided. So concern for service quality can be seen as a natural stage in the evolution of public services (Craft, 1994; Harman, 1996).

Seeking better performance in the public sector, some fashionable terms such as 'excellence', 'increasing competitiveness', 'efficiency', 'accountability' and 'devolution' have been introduced. Likewise, different strategies such as internal audit, quality assurance, performance pledges, management-by-objectives, strategic management, linking performance with outputs, have been adopted to try to improve the efficiency and effectiveness of public services (Aucoin, 1990; Pollitt, 1986; Sankey, 1995). Central to all these reform initiatives is a new concern with the principle of 'quality' in public service delivery. Education, being one of the main public services, is not immune from this tidal wave of management-oriented reforms. Schools, universities, and other learning institutions now encounter far more challenges, and are subjected to an unprecedented level of external scrutiny (Currie and Newson, 1998; Jones, 1998). The growing concern for 'value for money' and 'public accountability' has also altered the ways in which educa-

tion is managed. Changes to control, ways of monitoring, assuring and assessing the quality of education, are universal (Caldwell, 1997; Mok, 2000; Welch, 1998). Undoubtedly, systems of education in all parts of the world are in a state of change with increasing interest in promoting the notions of accountability, value for money and greater access. Increased accountability has inevitably driven education practitioners and academics to engage in devising and searching for different mechanisms and strategies to assure quality, particularly attaching more weight to satisfying the three major stakeholders (academic community, state and market) in the system (Albatch, 1999; Ball, 1998; Barnett, 1990; Frazer, 1992).

Concern about quality in public services reached Hong Kong in the 1990s in the wider policy context discussed above and was expressed in such initiatives as former Governor Patten's Performance Pledges (Lee and Cheung, 1995). It has begun to make a powerful impact on education at all levels in the SAR. In Hong Kong, as in many other countries, a concern for quality also had its roots in managerialism and the new public management (Mok, 1999; Tse, 1999). These terms are shorthand for a sea change in the approach to the provision of public services. New concerns came to dominate service provision. Since the early 1990s, the Hong Kong Government has adopted different strategies along the line of managerialism to reform its public policies such as housing and health services. Hoping to make the public sector more responsive and sensitive to the public, different reform measures like 'quasi-marketization' (in the health sector) and 'corporatization' (in the housing sector) have been proposed or implemented in recent years (Cheung, 1997; Chiu, 1997). Very proper questions were asked about economy, efficiency and effectiveness in the provision of public services. A concern for effectiveness led on easily and logically to a concern for quality, thus raising the issue of how performance is measured (Barnett, 1991; Jones and Taylor, 1990; Welch, 1998).

Quality assurance in education

Today when a country goes through a period of rapid economic or social change, or has doubts about the nature of its future role or its likely economic success, attention quickly turns to its education system. Education is a central mechanism both for the transmission of culture and for the inculcation of the knowledge and skills on which future economic prosperity depends. As policy makers and researchers in Hong Kong pondered the territory's future and looked at educational

expenditure and achievements in key regional competitors, Hong Kong emerged as a relatively low spender (about 4.1% of GDP), especially when compared to the other two little dragons – Taiwan (about 4.9% of GNP) and South Korea (about 4.3% of GNP). A concern for the quality of education in Hong Kong followed logically from such a finding.

Education policy in many countries has been dominated by the education professionals. It has been seen as professional territory. From the late 1970s the standing of professionals world wide came under critical attack. Their knowledge base, competence and professional ethics were all challenged. The quality movement in education can be seen as an expression of concern about professional power and achievements in education, a bid from various interests for a larger role in determining policy and priorities and as an expression of a conflict between professional and lay beliefs about educational practice. Another element in the assault on professional dominance in education policy-making was the rise of consumerism – the belief that consumers had a right to express their views about services and that their knowledge and opinions had value and validity (Bridges, 1994).

A generalized concern about value for money was also an element in the rise of the quality movement. More was being spent. Was value for money being achieved? Was additional spending producing a better quality product and higher quality outcomes?

The rise of the quality movement was fuelled by generalized concerns about public policies. In education it meshed with very specific concerns about whether Hong Kong's educational standards were keeping up with improvements in the standards of its competitors, about whether Hong Kong's educational achievements would ensure its economic competitiveness in the future, about specific issues such as the English language competence of the current products of the school system, and as to whether rapid expansion in higher education in the 1990s had led to a decline in standards (Tsang, 1998). It was these generalized and specific concerns which led the EC to produce its *Report No. 7, Quality School Education*. In 1996, the EC set up a special Task Group on School Quality and School Funding (the Task Group) to make recommendations to promote quality education in the territory. Choosing a theme of 'Quality School Education', the Task Group proposed different ways to assure quality education in the school system in Hong Kong, with particular reference to coping with the problems and issues resulting from the massive expansion of education in the past two decades (Education Commission, 1997).

Quality school education in Hong Kong

The seven objectives of the *Report No. 7, Quality School Education*, are set out on page xi:

- to enhance community appreciation of the need for quality school education;
- to inculcate a quality culture in the school system to contribute to the personal growth of students, and the pursuit of excellence;
- to provide a practical framework for key players in the school system to achieve the aims of education in an efficient, cost-effective and accountable manner;
- to recommend an integrated strategy for quality assurance and development;
- to provide incentives for quality performance;
- to assist and remedy under-performing schools to encourage initiatives and continuous improvement; and
- to recommend a framework for raising the professional standards of principals and teachers and enhancing their professional education and development.

They are set out more generally in the Report's statement of the purpose of its recommendations (page ii):

The recommendations have been made with a view to enhancing the community's appreciation of the need for quality school education; inculcating a quality culture in the school system; providing a practical framework for key players in the school system to achieve the aims of education in an efficient, cost-effective and accountable manner; presenting an integrated strategy for quality assurance and development; providing incentives for quality performance; assisting under-performing schools; and outlining a framework for raising the professional standards of principals and teachers and enhancing their professional education and development.

The Report has eight chapters. Chapter 1 explores the nature of quality education. Chapter 2 focuses on quality indicators. Chapter 3 examines quality assurance mechanisms. Chapter 4 looks at the links between quality and funding systems. Chapter 5 sets out the case for a quality education development fund to promote initiatives deemed by the commission to be likely to improve quality. Chapter 6 assesses ways

of raising standards among principals and teachers. Chapter 7 sweeps up various related issues. Chapter 8 summarizes the recommendations and discusses the question of implementation. The Report includes many interesting ideas and no one could question its starting point – the need to promote quality in education (Education Commission, 1997). Central elements in the Report are:

- delivery of educational outcomes which meet the needs and expectations of the community in an efficient, accountable and cost-effective way;
- pursuit of excellence in both academic and other domains of education;
- participation of front-line educators to choose the best teaching and learning model that suits the needs of teachers and students of individual schools; and
- provision of educational diversity and choice for parents and students (Education Commission, 1997)

If we view the policy document as a set of policies for analysis rather than a technical blueprint, it is worthwhile discussing what is not put on the public agenda (Ball, 1994). This Report, along with a number of consultation papers and measures in recent years, clearly signifies, in its general orientation, a move away from simply meeting quantitative targets to striving for qualitative improvement, a search for a more open and accountable school system and a concern with the related issues of school quality and school funding.

In order to assure quality education in Hong Kong, the Education Department (ED) has adopted various measures of 'quality control' such as the introduction of a Quality Assessment Inspectorate (QAI) and the implementation of School-based Management. In the 1997–8 school year, the ED set up a Quality Assurance Inspection (QAI) Unit to coordinate activities related to internal and external reviews of school performance (ED, 1997). The key features of the Quality Assurance (QA) framework are as follows:

- It is based on common, open and objective performance indicators, formulated on the basis of the Statement of Aims, to provide tools for the assessment of the quality of education in schools;
- It is built on interacting and transparent quality assurance processes, namely school self-evaluation and QA inspection;

- It takes into account the strengths of existing QA activities and school-based management, and the traditional values and changing needs of schools;
- It maintains balance between providing support to schools through partnership and exerting pressure through monitoring;
- It aims at achieving quality school education through school improvement and accountability. (Cited in Tse, 2002, pp. 149)

Putting these features into perspective, we can see that the QA framework has indeed covered three major levels, namely, school, territory and international. At the school level, individual schools have to work out their own development plan, outlying long-term goals and specific targets. In addition, they have to devise concrete and relevant performance indicators for evaluating school performance. To have a more comprehensive assessment of school performance, there are six sets of performance indicators, covering the major domains such as management and organization, teaching and learning, support for students and school ethos, as well as standards of attainment and achievement (ED, 1997). It is hoped that these performance indicators could serve as tools for schools to conduct self-assessment and, more importantly, the external bodies can use the same set of tools for assessing individual school performance (Tse, 2002).

In addition to the internal self-monitoring exercise, the ED also launched a territory-wide quality assurance inspection to assess individual school performance, while special panels comprising both local and overseas experts were appointed to examine whether the existing QA systems and processes are sufficient and appropriate to promote quality education in Hong Kong (Tse, 2002).

In view of the QA mechanisms and the ideas and terms central to the Report as discussed above, certain terms which occur many times, are quality, quality assurance, management, incentives, accountable, competitive, performance, efficient, cost-effective, standards, choices, appraisal, value-added, excellence, clear, measurable, funding, transparent, indicators, inspection, measure(ing), monitor(ing), and clients. On the other hand, some past key words and terms in education policy discourse have become part of a merely residual vocabulary, for example, professional, school-based, autonomy, participation, self-evaluation, flexibility, and cooperation. The call for diversity and choice and the proposal to allow schools to develop their own individual characteristics can be understood as a further step towards a market-oriented approach in educational governance (Ball, 1998). And even more regret-

table is the fact that the words equality, rights, democracy, 'education for all', and educational opportunity are completely missing. While a concern about the quality of school education is an international trend and many developed countries have been studying ways of improving quality and carrying out reforms to improve the quality of school education, Hong Kong has also followed the trend without paying due attention to other important issues such as equality, justice and democracy. Therefore, the definition of quality education is narrowly conceived and the focus of reform is largely school-based without taking into account broader institutional factors (Comparative Education Policy Research Group, 1998).

The comprehensive review of the education system in Hong Kong

Like his predecessor Governor Chris Patten, Mr. Tung Chee Hwa, the Chief Executive of HKSAR, has given special attention to the policy area of education and he has adopted a more macro-planning approach to deal with education development in Hong Kong (Mok and Lau, 1998). Realizing that the existing education system has some problems and weaknesses, Tung called for a comprehensive review of the whole structure of the Hong Kong education system in his first Policy Address in the autumn of 1997. The comprehensive review was started in late 1997 and the review process is divided into different phases. The first stage is to review the aims of education and the document entitled *Education Blueprint for the 21st Century* was published in January 1999 for consultation. The second stage is to review the academic system and the last stage will be finalizing the recommendations for reforming Hong Kong's education system in June 2000. After the first and second stages of review, the EC has made clear what it believes is wrong with the existing education system in Hong Kong. One problem that the EC considers as a major one is the heavy emphasis on examinations. Thus students are over-focused on examination results and many have never enjoyed learning, let alone creative thinking (Education Commission, 1999a). The Commission believes that Hong Kong is now facing a fundamental transition from an industrial society to an information society as the economy shifts its emphasis from manufacturing to knowledge-based activities. Hence, new knowledge and creative thinking are essential to our daily lives and to economic success. In order to strengthen Hong Kong's competitive edge in the global market, there is a very strong need

for reforming the existing examination-oriented education system (Education Commission, 1999b).

After the completion of the first stage of the review, the EC published a report stating that:

> Hong Kong faces strong competition from neighbouring economies in many areas, including trade, finance, transportation, communication and tourism. The Asian financial turmoil has prompted us to reflect upon the problems we face, our future and how we should meet the challenges ahead . . . In the knowledge-based economy, existing knowledge is being updated at an ever faster pace. Our young people must be outward-looking, imbued with a spirit of exploration, able to make the best use of IT, able to master different kinds of knowledge, and willing to strive to improve through continuous learning. To enhance our competitiveness, Hong Kong has to shift to high value-added and technology-based production and services. We need people who are creative, versatile, knowledgeable and multi-talented.
> (Education Commission, 1999a, p. 9)

In the past fifteen months, the EC has been engaged in a thorough review of Hong Kong's existing education system. Making reference to 'School Education in Hong Kong: A Statement of Aims' published in September 1993, the EC sets out the overall aims of education for Hong Kong for the twenty-first century:

> To enable everyone to develop to their full and individual potential in all areas covering ethics, intellect, physique, social skills and aesthetics, so that each individual is ready for continuous self-learning, thinking, exploring, innovating and adapting to changes throughout life; filled with self-confidence and team spirit; and is willing to strive incessantly for the prosperity, progress, freedom and democracy of the society, and to contribute to the future well-being of the nation and the world at large.
> (Education Commission, 1999a, p. 15)

After considering all the comments received during the first consultation, the EC revised the statement of the aims of education and embarked on the second stage of the review. In September 1999, the EC published another consultation document entitled *Learning for Life*. The focus of the second stage of the review is the academic structure, the curricula and the assessment mechanisms. More specifically, this

stage of review is primarily concerned with the framework for education reform. In one of the opening paragraphs of the consultation document, the EC states explicitly that 'Learning brings enjoyment. Learning creates opportunities'. In order to nurture the environment for lifelong learning, the EC states that:

> Society is undergoing fundamental changes. As it transforms from an industrial society into an information society, and as our economy shifts its emphasis from manufacturing to knowledge-based activities, knowledge has become an essential element of our daily lives and our economy. Knowledge is being created all the time. New knowledge continues to emerge as existing knowledge becomes obsolete. Learning is no longer confined to school subjects or limited to classrooms; learning is no longer the prerogative of those aged 6 to 22. The age of lifelong learning has dawned.
>
> (Education Commission, 1999b, p. 15)

Having defined the fundamental flaw of the existing education system as the way it only caters to a select few, whilst disadvantaging the majority and creating a large number of losers, the EC is committed to a large-scale restructuring of the existing education system: eliminating by stages all public assessments and banding systems at primary level for the purpose of allocating secondary school places. Additionally, the EC believes that the existing system has failed to produce people with appropriate kinds of skills and knowledge for the knowledge-based economy, and has called for 'lifelong learning'. In short, the EC has adopted five major principles to guide the future development of education in the territory:

- Student-focused: Learning should be focused upon students' personal development. Our reform should aim to give more room and flexibility for students to be the masters (and mistresses) of their own learning.
- No-losers: There should not be, at any stage of education, dead-end screening that blocks further learning opportunities. Everyone should be given the opportunity to learn anywhere, at any time, and to be given due recognition for what they achieve.
- Quality: The basic objective of our reform should be to enable all citizens to access the most appropriate learning opportunities to realise their potential. Everybody should achieve basic standards and strive for excellence.

- Life-wide Learning: Learning is not limited to school subjects or examination syllabuses. Students should have a comprehensive learning experience through the formal, non formal and informal modes.
- A Society-wide Mobilization: Lifelong learning is the key to a person's success, and to Hong Kong's success. The Government, educators, all sectors of the community as well as the learners themselves should all contribute to the reform. (Education Commission, 1999b, p. 16)

Central to the most recent stage of the review exercise is the proposal to pave one through-road for students who can enjoy learning and studying for their nine-year universal basic education. Besides enhancing basic knowledge, the EC also proposes a 'whole-person' approach in senior secondary education. Believing that students must have some experience in the academic, vocational, organization, social service as well as aesthetics and sports domains, the EC also recommends doing away with the streaming between the natural science and humanities.

In order to reduce pressure generated from public examinations, it is also proposed that there should be only one public examination after universal basic education and before the commencement of higher education. To realize the goals of 'life-wide learning', the EC introduced the idea of continuing education, suggesting also the establishment of full-time post-secondary colleges and community colleges. With the ultimate goal of developing a transferable credit-unit system, the EC hopes that qualifications of students from community colleges can be fully transferable (Education Commission, 1999a, p. 18). In its most recent reform proposal, the EC has made a few major recommendations for improving the existing education system in Hong Kong. Central to the reform is the promotion of lifelong learning in Hong Kong, along with the hope that the upgrading of the knowledge level would cultivate the talents needed by Hong Kong in the future (Education Commission, 2000).

Cultivating talents for a knowledge-based society

In his third Policy Address, Tung Chee Hwa, the Chief Executive, points out the important fact that 'the quality of our people has a direct bearing on Hong Kong's competitiveness in the next century . . . To realise our vision of Hong Kong as a world-class city with a thriving economy and an affluent and culturally rich society, it is first and foremost necessary to cultivate and retain a critical mass of talented people'

(Tung, 1999, p. 19). Attaching importance to education, Tung deliberately chose a theme of 'Quality People, Quality Home: Positioning Hong Kong for the 21st Century' for his third Policy Address. In this address, he repeatedly emphasizes the need for education reform. Echoing the views of the Education Commission, Tung wishes the reform measures proposed by the EC to be implemented as soon as possible. In addition, he also outlines the achievements of the HKSAR Government in raising the quality of education and improving various important areas of the system over the past two years. Once again, Tung stresses the importance of 'lifelong learning'. He states:

> In my last Policy Address [1998], I put forward the concept of lifelong learning. I am glad to see that it has gained extensive support in the past year and has been chosen as the theme of the second phase of consultation conducted by the Education Commission . . . Our higher education institutions and the Open University are each adopting different measures to promote life-long learning. At present, over 200,000 Hong Kong citizens are already engaged in some form of further studies in these institutions. To encourage this trend, we have made available various forms of financial support.
>
> (Tung, 1999, pp. 25–6)

Despite the fact that Tung has not provided us with concrete plans and strategies to reform the existing education system, the repeated calls for quality education and quality people have already shown the determination of HKSAR to raise the quality of education and improve the education system in the territory. Although concrete measures and reform strategies have not yet emerged, the call for 'lifelong learning' seems to have become a very important issue in Hong Kong's future educational development strategy.

In response to the repeated call of the Chief Executive for promoting quality education in the SAR, Mr. Donald Tsang, the ex-Financial Secretary, set aside a sum of HK$800 million in the 2000–01 budget year to start on those recommendations of the Education Commission after its comprehensive review of the existing education system in Hong Kong. In addition, the ex-Financial Secretary openly reconfirmed the commitment of the HKSAR Government in providing quality education for all; this is effectively revealed by the share of public expenditure on education (i.e., about one-fourth of the total public expenditure in the 2000–2001 budget) (Tsang, 2000).

More recently, Tung has delivered his fourth Policy Address at the

Legislative Council, restating the importance of holistic education for Hong Kong. He has promised to spend more on education in the financial year of 2000–2001 (around 4.25% of GDP of the current year). In addition to the Quality Education Fund, he is keen to develop IT in education. Regarding education to be the most significant attribute to further economic growth in a far more economically globalized context, Tung again sets out the important goal of 'Learning for Life – Learning through Life'. In terms of concrete measures, Tung has planned to expand higher education by doubling the total number of student population and he has allocated more resources to pre-school education. In pursuit of all-round development, HKSAR will provide additional resources and professional services to help schools reform the school curriculum and improve teaching methods (Tung, 2000).

From the school management initiative (SMI) to school-based management (SBM)

Early in 1991, the ED introduced the School Management Initiative (SMI) scheme with the intention of giving government and aided schools more decision-making power and more autonomy in the use of resources. With power decentralized to the school level, it is hoped that individual schools can develop more formal procedures for planning, implementing and evaluating their activities and performance (Education and Manpower Branch, 1991). Despite the government's efforts in promoting the scheme, only about one-third of schools have joined the scheme. Nonetheless, research regarding the effectiveness of the SMI scheme repeatedly and consistently report that although the scheme is intended to 'empower' individual schools to bring about effective change, many schools have not yet seized the opportunity to have effective school-based management even after joining the scheme. Instead, school teachers, particularly senior teachers have found a much increased workload and additional administrative duties after the implementation of the scheme (Pang, 1997, 1998a, 1998b; Wong, K.C., 1995, 1997).

The ED strongly believed that school-based management would eventually bring about quality education and create a conducive learning environment for students, and decided to launch a territory-wide School-based Management scheme in 2000. Adopting a theme of 'Transforming schools into dynamic and accountable professional learning communities', the ED states that:

> There is no single formula or technique which guarantees quality learning outcomes for each student. Success requires more sophisti-

cated approaches to students' learning needs. For this, schools need more freedom than they currently have. Each school needs a capacity to manage its own affairs. This is why school-based management lies at the heart of all of Hong Kong's efforts to create world-class schools . . . Schools need to be able to operate as self-managing institutions – to have flexibility over curriculum and teaching practice, as well as over staffing and budgets. Above all, schools need authority to put in place the organizational and teaching strategies which will provide the best learning opportunity for every student on campus. And they need to be able to access all available resources as they help students strive for excellence. In all these endeavours they also need to work in collaboration with parents and the community at large.

(Advisory Committee on School-based Management, [ACSBM, hereafter], 2000, p. 1)

To the ED, school-based management is never a superficial change since it requires 'a new professionalism from teachers, enhanced leadership from principals and deeper commitments from parents and the community' (ACSBM, 2000, p. 1). Drawing experiences and comparative insights from other countries that have implemented similar school-based management reforms, the ED is keen to give individual schools the opportunity to develop their own characteristics and style. In order to achieve such goals, the management style and governance model of school are bound to experience a fundamental change. Different stakeholders such as the sponsoring body, the principal, teachers, parents, alumni and members of the community are involved in school governance. The assumption is that only when schools are empowered to have effective self-management, will their capacity eventually be enhanced. Thus, students will eventually benefit from better school management. With the implementation of the SBM, the ED hopes that:

Schools make a difference to the life of every student. Well-governed schools make the best difference of all. No other public institution has such a profound effect on the future well-being of all members of our society.

(ACSBM, 2000, p. 2)

Putting the above newly proposed School-based Management initiatives in perspective, it is clear that HKSAR has adopted a management-oriented orientation to shape the education reform in the territory. As

Tsang (1997) and Lo (1997) convincingly argue, after the implementation of nine years compulsory education in 1978, school quality and school effectiveness have emerged as prominent themes in education policy discourse in Hong Kong. In an attempt to promote quality, the Government has introduced management strategies and quasi-market mechanisms into the educational sector.

Massification of higher education and the need for quality assurance

The higher education sector in Hong Kong enjoyed a process of massive and dramatic expansion during the final decade of the twentieth century. As a result of the massive expansion, both in terms of the number of students and the number of Higher Educational Institutions within the territory, the quality of local higher education has aroused widespread discussion among different stakeholders such as university administrators, academics, government officials, employers, students and taxpayers (Young, 1996, p. 2).

The idea of expanding the higher education sector in Hong Kong originated in 1978 when the government released a white paper about the development of tertiary education. The combined undergraduate population at the two existing universities, namely the University of Hong Kong (HKU) and the Chinese University of Hong Kong (CUHK), was expected to grow at 3 per cent annually (Hong Kong Government, 1978, p. 16). Nevertheless, in 1988, the government determined to accelerate the pace of expansion when it projected a gradual growth of the enrolment rate to the level of 14.5 per cent of the age group by the year 2000 (Shive, 1992). The climax of the expansion process came shortly after Tiananmen Square on 4 June 1989 when the government announced that the expansion target would be revised to 18 per cent of the relevant 17–20 age cohort to be admitted to HEIs in the territory by 1994 (Cheng, 1996; Law, 1997, p. 45; Mok, 1999, p. 19; UGC, 1996, Ch. 8). Meanwhile, the number of postgraduate students has also increased remarkably in the last few years. While there are about 5,500 students engaged in taught postgraduate courses, there were also about 3,500 full-time research students funded by the University Grants Committee (UGC) in Hong Kong in the 1999–2000 academic year (UGC, 1999, pp. 4–6).

This kind of dramatic expansion inexorably pressurizes the government's subsidization and investment in the local universities. According to Joseph Wong, the former Secretary for Education and Manpower

in Hong Kong, government spending in the higher education sector increased seven-fold from less than HK$2 billion to HK$14 billion in the year 1997 (Wong, W.P. 1997, p. 1). Higher education now absorbs about one third of government education expenditure. High staff costs are seen as the major reason for the rocketing expenditure of higher education and the heavy cost to taxpayers (French, 1997, p. 4). Expenditure dedicated to academic staff alone amounted to 45 per cent of the total expenditure on higher education from 1994 to 1998, while the rest of total expenditure is shared by other non-academic staff, fringe benefits, maintenance of buildings and equipment (UGC, 1999, p. 17). In terms of annual student unit costs in the HEIs, higher education costs in Hong Kong are much higher than those in other developed countries like the United States, the United Kingdom, Australia, Canada and Japan. It is note-worthy that the money spent on higher education has significantly exceeded that spent on basic education. Hong Kong citizens have increasingly been concerned about the balance of expenditure between higher education and basic education (Mok, 1999).

Just as in other Western countries and in Japan (Zemsky, 1997), the massive expansion of higher education in Hong Kong has stimulated concern and raised a series of questions regarding efficiency, cost-effectiveness and economy in higher education especially now when Hong Kong is encountering an economic downturn and serious unemployment. Apart from this, the supposed decline in the standards of academic achievement of both university and secondary school graduates has raised public concern over 'value for money' in what is spent on Hong Kong's higher education when basic education is said to suffer from under-investment (Mok, 1999; Wong, W.P. 1997, p. 1). In response to this concern, the UGC launched a series of exercises to try to guarantee the efficiency, cost-effectiveness and quality of higher education in Hong Kong.

In his 2000 Policy Address, the Chief Executive of the HKSAR Government once again emphasized the importance of higher education in furthering social and economic developments in Hong Kong. He therefore declared that HKSAR would expand higher education admissions, especially doubling the existing associate degree programmes in ten years time (*Ming Pao*, 13 May 2001). The HKSAR Government has tried to mobilize other non-state sectors, including the private education organizations, the market, and the local HEIs to engage in creating additional associate degree programmes for Hong Kong students (Mok and Lo, 2001).

Echoing the view of the Chief Secretary, the EC proposed to have

three major compenents in future higher education system in the *Review of Education System Proposal*, namely, (i) Universities – degree-awarding educational institutions; (ii) Post-secondary colleges – institutions which offer courses above secondary school level; (iii) Continuing education institutions – such institutions provide different types of courses above the secondary school level. The HKSAR Government has also seriously considered the establishment of Community Colleges and has openly encouraged the launch of private universities in the territories (Education Commission, 2000; *Ming Pao*, 15 and 17 March 2001). Such a proposed expansion can be seen as another wave of massification of higher education and can be understood as a process of diversification that has started in the higher education sector in Hong Kong.

Quality assurance exercises in Hong Kong's higher education

Modelled on the University Grants Committee in the United Kingdom, the UGC in Hong Kong was set up in 1965. The UGC has since then worked on the basis of a triennial block grant for individual HEIs. As stated by the UGC in its first comprehensive review report on Hong Kong's higher education system released in 1996, its role is summarized as follows:

> The granting to the institution of the capacity to spend its recurrent grant at will, either along the lines of the plans discussed with the UGC or otherwise, is not solely based upon philosophies of 'academic freedom' or 'autonomy'. It is also concerned with efficiency and effectiveness . . . There is emphasis on excellence, innovation, cost-effectiveness and public accountability within a context of minimal intervention in institutional affairs.
>
> (UGC, 1996, Ch. 4)

This statement vividly reflects the existing dilemma within the higher education system in Hong Kong. Despite the fact that the UGC has repeatedly emphasized that it would not intervene in internal institutional affairs, various quality assurance exercises initiated by the UGC have already created immense pressure on all the HEIs in Hong Kong to show better performance. Any policies adopted by the UGC will significantly affect the governance of the higher education sector as it is the gatekeeper for grant and fund allocation.

Acknowledging the increasing demands for clearer public accountability, the UGC has undertaken a variety of formal and informal

reviews to assure quality in higher education. Terms such as 'fitness for purpose', 'doing the right thing right the first time', 'value-added' and 'performance indicators' proliferate with the aim of assuring quality. Up till now, nevertheless, no consensus has been reached as to how to define 'quality', although it has come to be a fashionable term in relation to discussion about universities throughout the world. But how 'quality' should be assessed is still an unresolved issue within academic circles. In Hong Kong, three main categories of large-scale review and assessment exercises have been carried out during the last five years. They include the Research Assessment Exercise (RAE), the Teaching and Learning Quality Process Review (TLQPR) and the Management Review (MR). In addition to these programmes, the UGC has also implemented a variety of funding schemes designed to enhance the standards of teaching, learning and research. One point which needs highlighting here is that the UGC does not only encourage the mode of performance-based grant assessment, it also dedicates extra grants to particular teaching and learning initiatives for 'language enhancement' and 'teaching development'. More importantly, the HEIs are prodded to work out institutional restructuring and re-engineering initiatives as well as to develope 'areas of excellence' (French, 1999, p. 2).

Research assessment exercise (RAE)

The RAE was the first type of quality assurance measure carried out as early as 1993 just before the development of a mass university system (French, Massy, Ko, Siu and Young, 1999, p. 2). There have been three rounds of RAE since then with the second round in 1996 and the third in 1999. The launch of the RAE in the early 1990s is concomitant with the establishment of the Research Grants Council (RGC) which is placed under the aegis of the UGC. The RGC is held responsible for assessing academic research projects in relation to the level of funding allocated to those research applicants. The first two rounds of the RAE were modelled on the RAE carried out in 1992 in the United Kingdom, by which departments were assessed and rated. The number of active researchers and the quality of the research outputs in each cost centre are included in the assessment exercise and used for allocating a portion of resources reserved for research grants for the triennium up to 1998–2001 (French, Massy, Ko, Siu and Young, 1999, pp. 3–6).

   The UGC, on the other hand, admits that the exercises put rigorous emphasis on 'academic' research in terms of articles published in international peer-reviewed journals and the assessment relies heavily on this kind of publication as the major indicator of quality. As a consequence, articles or research outputs published in less well-known,

regional and local journals along with other papers presented in conferences are discounted and ignored. Other problems appear in the exercises, such as the lack of transparency regarding the criteria for assessing research outputs, the failure to recognize the outputs of applied research and the relationship between the RAEs and actual funding allocations (French, Massy, Ko, Siu and Young, 1999, pp. 6–9).

In the third round of RAE in 1999, the practice of rating cost centres in each HEI continued to be the core of this exercise. In addition, HEIs were required to map out their research strategies in relation to their roles and missions before the assessment exercise was conducted (French, Massy, Ko, Siu and Young, 1999, p. 9). Likewise, the exercise results will affect resource allocation in the coming years.

Teaching and learning quality process review (TLQPR)

As a complementary review exercise alongside the RAE to ensure the quality of higher education in Hong Kong, TLQPR focuses on the teaching and learning processes. It is based on the belief that a primary mission of local HEIs lies in their obligation to assure and enhance quality in teaching and learning. The first TLQPR was carried out in 1997, focusing on four aspects in relation to each institution's teaching and learning processes, namely curriculum design, pedagogical design, implementation of quality assurance systems, outcome assessment and resource provision (see for example, Massy and French, 1999, p. 3; UGC Secretariat, 1996, p. 1; UGC Secretariat, 1997, p. 1). According to Massy (1997), the professor who is responsible for TLQPR, the teaching review has provided the UGC with a set of criteria and priorities to guide its discussions with institutions about teaching and learning quality. More importantly, TLQPR allows the UGC to promulgate its accountability agenda for the Hong Kong higher education system (p. 259).

Using City University and Hong Kong University as examples to illustrate the assessment exercises on teaching and learning processes carried out by the UGC in its first round in 1997, the committee praised the initiatives taken by each institution to assure quality of teaching and learning processes. Both City University and Hong Kong University share some common practices in their teaching and learning quality assurance mechanisms. For instance, the establishment of committees overseeing teaching and learning quality, the use of comprehensive teaching and course evaluations for seeking students' comments and responses, the use of staff peer reviews, as well as the setting up of professional units for improving the teaching techniques of academic staff in the institutions, were all regarded by the UGC as 'good practice' in

quality assurance and control (UGC Secretariat, 1996, p. 2; UGC Secretariat, 1997, p. 2).

Meanwhile, there is still room for improvement to be made by the two institutions as suggested by the UGC in their TLQPRs. For City University, in spite of its ability to construct an effective 'culture of quality' (UGC Secretariat, 1997, p. 2), the committee questions whether this ethos of quality can be maintained effectively among different departments. At the same time, even though there is a certain degree of decentralization within a centralized system in the University, departmental autonomy and accountability remains a concern when the Faculty continues to exerts its influence upon the daily operation of academic departments. Furthermore, the University's control is problematized by the fact that quality assurance processes are carried out at both faculty and university levels (UGC Secretariat, 1997, p. 4).

HKU on the other hand, displays a different problem which is related to the dominance of research over teaching and the deep-rooted perception held by academic staff, who look for career advancement, that research is more important (UGC Secretariat, 1996, p. 4). As argued by the UGC, 'an overemphasis on research could crowd out the staff time needed for the sustenance and continuing development of teaching' (UGC Secretariat, 1996, p. 7). It is suggested by the UGC that the institution should repudiate the traditional view that improving teaching quality is a matter for individual staff. In contrast, the committee views teaching and learning as a collective matter to which academic units and staff must respond collectively as well as individually (UGC Secretariat, 1996, pp. 7–8).

Management review (MR)

The final category of review exercises is about management in individual institutions. MR is a review exercise aimed at evaluating the effectiveness of management in the local HEIs. The first round of MR was launched in 1999. At the time of writing, the UGC Secretariat has released the MR reports for City University, Hong Kong University and Hong Kong University of Science and Technology. The core reasons for the UGC to launch the MR can be summarized as follows:

> The reviews cover all the management processes and systems in the areas of academic administration, research administration, maintenance and development of the estate, procurement, student support services, human resources, IT and finance. They are qualitative in nature and seek to promote self-assessment and self-improvement

within the institutions through dialogue, discussion and analysis of
issues with the consultants and members of the Review Panels. They
also seek to promote the sharing of experiences and best practices.

(UGC Secretariat, 1999a, 1999b, annex C)

According to French (1999), the launch of MR is also closely linked
to the financial pressure on the local higher education sector which
means that the HEIs need to adopt appropriate and effective processes
to manage devolved funds within the context that unit costs would be
reduced by 10 per cent over the next three-year period (p. 4). Despite
the emphasis that the MR's objective lies neither in assessing institu-
tional management efficiency and cost-effectiveness nor being a form
of value-for-money audit (French, 1999, p. 4), no one doubts that the
MR will affect funding and resource allocation to individual HEIs, par-
ticularly when the government intends to make a further cut in the
financial resources allocated to the local higher education sector.

Regardless of the impact of particular financial allocations to indi-
vidual institutions, the MR unquestionably enables the UGC to inter-
vene in the HEIs' management systems and affairs on the grounds of
securing a rational and effective use of resources. In order to provide
more incentives for achieving value for money, City University has been
urged by the UGC to demote under-performing research centres as a
means of punishing poor performance. There is also a simultaneous
concern held by the UGC about the 'excessive' power of Faculty deans
in determining the strategies of development for their departments and
that such strategies may not be coherent with the University's overall
strategy of development (UGC Secretariat, 1999b, pp. 9–10).

Hong Kong University provides another example demonstrating the
impact of MR upon local institutions. Because the role of faculty deans
lie in overseeing and assuring quality control in their departments, the
UGC advised the university to replace the election of faculty deans with
the mode of direct appointment after consultation with staff. It is
argued that appointed deans would have accountability to the univer-
sity's central administration, which is headed by the vice chancellor. In
addition, such appointed deans would contribute to a smoother com-
munication link between the management committee and the Faculty
staff. The aim is to alter the current situation whereby the deans have
little authority in the management structure (UGC Secretariat, 1999b,
pp. 8–9). The move from election to appointment of Faculty deans in
HKU has been criticized as a regression from democratic to authoritar-
ian rule within the institution (*Ming Pao*, 2 June 1999; *Sing Tao Daily*, 1

June 1999). Notwithstanding the importance of upholding account-ability to the university management, the UGC's suggestion can be per-ceived as a landmark for an external gate-keeping body to intervene crudely in the governance of individual HEIs.

These initiatives clearly reveal that research, teaching and manage-ment have been included in the list of issues for regular scrutiny by the UGC. The granting of block funds has been linked with the performance and outcomes of such review exercises achieved by each institution. In short, no matter how 'old' or 'new', 'comprehensive' or 'specialized' HEIs are, all the local universities have to follow the rules of the game which have been set up by the higher education gate-keeper under the aegis of the government.

Policy implications of a management-oriented approach to quality education

The impact on school education

It is obvious from the above educational reforms in both the school and higher education settings that the HKSAR Government has adopted a management-oriented approach to promote quality education. As Tse (2002) rightly points out:

> [The HKSAR Government] expected that with increased 'trans-parency' of school operations, broadened participation from parents and the community in school management, increased 'accountabil-ity' of schools to the public and the sharing of experience among schools with similar backgrounds or within the same 'quality circle', schools would thus improve and continue to strive for excellence. Obviously, it is a management-based and school-based approach to the improvement of quality.
>
> (p. 148)

With such an orientation, it is therefore not surprising to see that the whole series of education reforms proposed/implemented by the HKSAR Government is primarily concerned with efficiency, effective-ness and value for money. The newly proposed 'School-based Manage-ment' scheme in school education is particularly effective in reflecting the managerial approach in education. The proposed management-oriented reforms may make schools more responsive to the needs of students, parents and the community because schools are given more discretion and flexibility to decide matters and affairs regarding their

daily operations, but whether such reform strategies will really promote and improve the quality of education is still subject to empirical evidence. The result of the reform is yet to be known but what we can see is the unavoidable trend of immense pressure and increased workload for school teachers and university academics. The call for quality assurance has undoubtedly affected the lifestyle of teachers in schools and academics in higher education institutions (Currie and Newson, 1998; Mok, 2001).

With the implementation of 'total quality control' in the school setting, it is not difficult to imagine that education practitioners will devote far more energy to developing a set of objective performance indicators. No matter how hard it is to reach a commonly acceptable set of criteria for performance assessment, people working at the school level are primarily concerned with how to fulfil the required criteria and school managers are increasingly keen to know where they stand in the school 'league table'. Even when school practitioners can reach agreement on common performance criteria, the actual problem that confronts the school sector is having to devote far more energy to meet all the required criteria in order to show their schools are above the 'thresholds'. Comparative education studies have found that when education practitioners attach more weight to, and spend more time on, any assessment exercises, they inevitably pay less attention to actual teaching and learning matters (Bridges and McLaughlin, 1994; Hau, 1997; Silver, 1994; Tsang, 1997). If it is so, whether education quality can really be promoted by the implementation of management-oriented reforms still remains an open question.

In addition, it is extremely difficult to reach any conclusion on how to define and measure 'value-added' in both student and school performance (Tsang, 1997; Tse, 1999). As measurement and quantification of school performance is a highly complicated task (Fitz-Gibbon, 1996; Pang, 1998a and b), there is always a danger of adopting a centrally-controlled QA framework. As Tse suggested, 'the underlying ideology of "total quality control" could bring the problems of standardization, rigidity and disempowerment, imposing external assessment and criteria on individual schools, in both the aspects of school culture and ethos, management, teaching and learning processes, as well as personal growth and development of students, etc.' (2002, p. 152). As individual students and individual schools are so diverse, it is really difficult to compare school performance in the light of similar 'yardsticks'. In order to satisfy all the required performance indicators, there is no doubt that people may adopt different tactics or use superficial ways to present

their cases. Hence, all these strategies may well defeat the original purposes of the 'quality assurance' movement in the school sector.

Despite the fact that the ED is very keen to launch school-based management with the intention of allowing more flexibility for schools to develop their own characteristics and strengths, it is not difficult to see that education practitioners will probably compete with each other to show to the parents and the local community that they are the 'star players'. For instance, such unintended consequences have already been documented in the open competition for 'Quality Education Enhancement Fund' in the past few years in the school sector. Other instances can be easily found in the school sector where nearly every school principal has put far more emphasis on information technology in their curricula. The launch of computer-related courses and the promotion of information-technology has become increasingly fashionable and popular in schools. Seemingly, people in the local communities would judge the quality of a school based upon whether the school has succeed in securing grants from the 'Quality Education Enhancement Fund' and the 'institutionalization' of computers/information-technology courses (Tsang, 1998; Tse, 1998).

The impact on higher education

Against a policy context that attaches much weight to the quest for quality, efficiency and effectiveness, external scrutiny has undoubtedly become the top agenda in the higher education sector. What used to be self-monitored, unthreatening institutional auditing, informal assessment has changed into a more formal and external inspection, encompassing evaluations of research and teaching, with consequent resource and financial implications. Working within such a policy environment, educational practitioners and academics have found themselves caught in, as Weber suggested, an 'iron cage of rationality'. No doubt, the shift to the management-oriented approach and the processes of corporatization and marketization which have taken place in the university sector have changed the way of life of academics.

Obviously, the emphasis on performance means more rigorous performance assessment exercises, judging the number of publications, and calculating other crude performance indicators. Similarly, rewards are now highly correlated with the performance of the universities (Currie and Newson, 1998) and the role of government in the provision of education has been reduced, influenced by ideology, market forces and public austerity (Jones, 1998, p. 152). As cost-sharing practices can reduce higher educational institutions' heavy dependence upon the

state budget allocation and possibly enhance their financial capacity, it is not surprising to see higher educational institutions becoming more responsive to market forces and signals. University professors, likewise, have to involve themselves in the market. Human capital possessed by higher educational institutions and research projects and activities becomes the main product being sold in the market place where they have to compete for money and profits as well. Similarly, departments and academics, including both teaching and research staff, need to formulate research projects which are market-related. They need to pursue market and marketlike behaviours in order to seek for profits for their institutions and departments. All these developments have confirmed what Slaughter and Leslie term 'academic capitalism' (1997).

Our above case study has suggested that similar processes of 'academic capitalization' have already started in Hong Kong's higher education (Mok, 2001). In response to the strong market forces and the tide of managerialism, all tertiary institutions have already proactively applied efficiency measures to their management. It is common to offer only contract terms instead of superannuable (let alone tenure) terms when new appointments are made. Working under strong pressures to ensure their performance is up to the standard set by the UGC, all university managers in Hong Kong have to force/push their colleagues to work very hard to meet the 'threshold'. Prof. Cheng Yiu Chung, former Vice-Chancellor of the University of Hong Kong, openly claimed that all higher educational institutions should realize the importance of re-engineering in restructuring and improving teaching and research (*South China Morning Post*, 21 March 1996). Similarly, Prof. Li Kwok Chang, former Vice-Chancellor of the Chinese University of Hong Kong, believes that universities nowadays are becoming more transparent and accountable. The standard of graduates must be guaranteed and therefore the university has to continuously improve its curricula to meet the changing needs of society. In addition, Prof. Li also encourages the university to conduct more applied research and develop more links with the business and industrial sectors in order to attract external funding. Observing the increasing pressures imposed by the UGC on universities for quality research and teaching, Prof. Li contends that it is a worldwide trend that university staff have to work very hard to be accountable by all means (*Hong Kong Economic Journal*, 20 April 1999).

Similarly, Prof. Edward Chen, President of Lingnan University, believes that universities have to assert themselves by doing good research and teaching. Similar to other university managers in Hong Kong, Prof. Chen is determined to turn Lingnan University into a first-

class liberal arts university. The academics who do not reach the standard would have to go. Stressing the importance of high quality in research and teaching, Prof. Chen has introduced different systems and mechanisms to improve the research and teaching of the university (*South China Morning Post*, 14 February 1996). It is noteworthy that other university heads also share similar 'management ideologies' to run their institutions, trying very hard to make their institutions more 'competitive' in the education market place. All these developments confirm Ball's argument that higher education institutions are forced to become far more 'management-dominated' and they have to struggle very hard to meet the needs of the society (1998, p. 7).

It is beyond doubt that universities, working in such an environment, are increasingly becoming more conscious about 'output' and 'performance'. As university funding is closely related to the research performance of individual universities even though teaching performance may inform funding (Massy and French, 1997), a 'publish and perish' phenomenon becomes central to university life. Despite the fact that public universities are funded for the purpose of training and educating students, teaching is regarded as a low-prestige activity in academic circles especially when university staff are promoted for their outstanding performance in research (*South China Morning Post*, 20 June 1999). In the midst of economic downturn, the HKSAR Government has cut further its financial support to higher education. The most recent *Higher Education Review* conducted in 2002 has sounded out the idea of dividing the university sector in Hong Kong into two tiers, namely, research university and teaching university. By such a division, the government has intends to concentrate resources being allocated to the three traditional universities, while making the rest teaching universities. The government has also considered merging academic departments for resources reduction purposes (*Ming Pao*, 1 February 2002). Putting all these developments in perspective, Hong Kong's higher education sector is experiencing the process of 'McDonaldization', whereby universities are struggling very hard along the four principal dimensions at the heart of 'McDonaldization': efficiency; quantification and calculability; predictability; and the substitution of non-human technology for human technology (or control) (Mok, 1999, p. 121). Unquestionably, all these developments have resulted in tremendous human and social costs. It is not surprising to find that most of the academics working in such a context complain about the immense work pressure and the demoralization which they have been experiencing.

What worries us very much is whether the implementation of the

management-oriented approach in both school and higher education reforms has really promoted quality education. As discussed earlier, school teachers and principals are now under immense pressure to raise the performance of their schools up to the required standards set by the ED, while higher education institutions have to face a budget cut if they fail to prove themselves as 'star players'. With the introduction of 'internal competition' in the education sector, it is easy to observe that far more energies are devoted to filling out forms and excessive efforts are spent on preparing for quality assurance exercises in both school and university sectors. Whether such activities really raise the quality of education is still an open question. It is also questionable as to whether students really benefit from all these management-oriented reforms. Do they actually enjoy learning more? All these questions are still open for debate and for further investigation.

Conclusion

Putting all these observations together, the decentralization policy implemented in the education sector in Hong Kong has not really led to the withdrawal of government intervention. Instead, deregulating some major aspects of education and the adoption of the management-oriented approach in reforming Hong Kong's education system has actually increased some government powers and, in turn, strengthened the state's capacity to foster particular developments such as quality assurance while appearing to stand outside the frame. Our above case studies suggest that 'not only have changes in the nature of the state influenced the reforms of education, but the reforms in education are themselves beginning to change the way we think about the role of the state and what we expect of it' (Whitty, 1997, p. 302). As far as coordinating institutions are concerned in relation to different governance activities in education like funding, regulation and provision/delivery, the role of the government, market and community would normally be clear cut. Our discussion has suggested that although the nature of the state/government has changed in a very broad sense, what has actually changed is that the state has moved from carrying out most of the work of providing education itself to determining where the work will be done, by whom. and how. In terms of control, we also observe that the state may take different roles in different governance activities, and so the extent of state intervention varies. As numerous comparative studies of education policies have repeatedly reported, while decentralization is usually understood as a form of government withdrawal, it can be a

mechanism for tightening central control of the periphery rather than allowing far greater decision-making at the lower levels of governments (Hanson, 1999; Hawkins, 1999; Neave and van Vught, 1994).

Most important of all, this chapter has found that despite the changing modes of governance and the changing role of government in education in Hong Kong, the HKSAR government has taken a far more decisive role in education even though the government may not play the key role as provider of education services. By acting as the 'regulator' and 'overall service co-ordinator', the government can easily exercise its control over resource allocation and quality assurance through its executive arms – the ED and the UGC. Nevertheless, the pursuit of 'efficient' and 'effective' education services by means of increasing quantification and measurement of outputs and outcomes, or the adoption of market-oriented strategies, may considerably strengthen the management dimension of schools but result in heavy social and human costs like the dehumanization and the demoralization of the teaching profession (Currie and Newson, 1998; Rees, 1995). From this point of departure, we must be cautious about the overall impact of the management-oriented approach in education reform and the approach to promoting quality education in Hong Kong.

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6
Globalization and Educational Restructuring in China

King-lun Ngok and Julia Kwong

Introduction

We live in a global age. 'Promoted by unrestricted mobility of capital and the unfettered freedom of trade' (Gray, 1998, pp. 6–7), economic globalization has been a significant trend in our times. The process of globalization has not only internationalized the movement of capital and information, but also has affected the approaches individual nation states use to pursue their economic and social policies. With the rise of economic globalization, accompanied by the collapse of communism and the collectivist ideology, the values of free market capitalism prevail. The processes of decentralization and marketization can be detected even in the social service sectors in many countries (Bray, 1999). Similarly, the financing, curriculum, governance and management of education have been re-oriented and re-shaped by market-oriented approaches and practices (Currie and Newson, 1998; Spring, 1998; Taylor *et al.*, 1997). This tidal wave has also spilled over into China with the adoption of reform and open-door policies in 1978.

Market-oriented economic reform and the open-door policy have been the driving forces behind the restructuring of Chinese education. China's increasing integration into the world economy has imposed new pressures on education which combined with its own decentralization and marketization, has greatly affected the governance of education in China (Yin and White, 1994). The role of the state in education, the relationships between the central government and local government, and their respective roles in education have all been changed.

This chapter discusses educational restructuring in China in the context of globalization. It first offers a brief outline of China's path to

globalization and the changing perception of education. It then turns to a discussion of how the global trend of decentralization and marketization has affected not only educational governance, educational financing, and delivery, but also curriculum change, student intake, and graduate assignment. These changes include the depoliticization of education, the demonopolization of state over education, the increasing role of local government in education, the introduction of multiple channels of educational financing, the increasing diversity of educational provisions, the re-orientation of curricula to meet market needs, and the introduction of competition in the educational sector in order to enhance the efficiency and effectiveness of the delivery of educational services.

Market transition and China's path to globalization

Over the last decade, an ever-increasing number of books and articles have discussed the impacts of globalization across the world. Although there is no agreement on the definition of globalization, it is generally accepted that globalization is the integration of the social systems, and more particularly the integration of the economies of different countries into a world system. Since Western capitalist nations are the oldest and the most powerful partners in the world economic order, their economic philosophies and structures lay the bases of the rules and the nature of contacts. Therefore, the process of globalization bears the strong imprint of the West, especially the economic and political power of the United States. Nowadays, the process of globalization has affected countries all over the world. Since opening to world trade in 1978, China has become a new participant and player in the global economy.

The initiation of China's economic reforms and opening to the outside world in the late 1970s represented the leaders' reassessment of the role of the marketplace, their desire to end three decades of isolation, and their intention to integrate into the world economy. These shifts in central government policies can be traced to the government's enthusiasm for catching up with the advanced industrial countries. In the late seventies, even Asian countries, like Japan, Korea and Singapore, that had been active in the world market made tremendous economic strides. China had to do likewise if she was not to be left behind. Aside from these considerations, the specific measures taken by China could be traced to some extent to pressures from the superpowers like the United States, and from international organizations such as the World Bank. China has made great deliberate, voluntary or involuntary,

adjustments in its domestic economy to make it more compatible with the world economic system and to be fully accepted by the world economic order.

Market-oriented reform entails the introduction of the market and giving it full play in the economic domain. Elements of a market economy, such as the law of value, the ethos of free enterprise, the valuation of individual initiative, and the pursuit of profit have led to significant changes in the Chinese economic structures. Opening to the outside world has meant opening the home market to increased investment from foreign and trans-national corporations, the transfer of Western technology, devaluation of Chinese currency, and the production of goods for export. In line with this new orientation, households have replaced the production teams as the basic agricultural unit in rural China. The initiatives, efforts, and innovations of individual farming households have been responsible for the increase in agricultural production.

Even the state economic sector has embraced the mechanism of profit and the market. A labour market has emerged, and social mobility has increased. Although the state sector remains dominant in industry, collective enterprises, individually-owned businesses, joint ventures, and foreign-owned firms have gained rapid ground and are more productive than the state businesses. Activities in the public sector have been pruned; foreign direct investment is encouraged, and private economic activities are encouraged in the climate of increasing deregulation. The economy has turned towards export growth.

The major economic indicators suggest that China's participation in the global economy has produced beneficial economic results over the past two decades. Moreover, the new economic values and practices learned from the globalization process have gone beyond the boundaries of the economic sector to shape developments in other social service sectors including education. China's gradual adoption of market-oriented reforms over the past two decades has transformed the educational system in a manner that could not have been anticipated at the start of the reform period.

Globalization and new perceptions of education

Globalization represents a new set of ideas, rules, and practices that may affect education policy-making (Dale, 1999). China's participation in the global economy has led her to reassess the nature, function, and role of education. A new perception of education has gradually taken

shape in the post-Mao era in line with the development of the market-oriented economy and its increasing integration with the global market.

Since the establishment of the Communist government in 1949, the government had actively used education as a means of political indoctrination and for maintaining political loyalty. Education serving politics was the paramount principle, and this ideological absolutism reached its height during the Cultural Revolution. In fact, the ideological and political struggles were so intense during the Cultural Revolution that the higher educational system was almost totally dismantled. At the same time, the Communist government has always promoted education as part of its development strategy because the socialist economy needed a trained labour force committed to socialist values to build a strong economic base. The role of education was to prepare the younger generation to take up the tasks of national construction. They had to be dedicated to the nation's well-being, and with the relative isolation of the country, they had to be self-reliant and independent with skills that were compatible with the particular stage of economic development in the country at the time. Education was a public good and not a private one. Those who sought education as a channel for upward mobility were condemned as selfish and bourgeois.

When China opened its door to the outside world in the late 1970s, the Chinese policy makers had a vision of the country's economic development different from the Maoist one. Education was still seen as the essential tool for economic modernization. There was a demand for educated human resources in the drive towards modernization, but the structure of the economy was different because the state planned economy was replaced to some extent by the market. Increased productivity was to be achieved by competition and the adoption of advanced technology, not collaboration and dependence on indigenous resources.

Education still serves the economy. In the early 1980s, Deng Xiaoping reaffirmed this fundamental direction of educational development. Zhu Kaixuan, minister of education in the 1990s, further elaborated, 'Education is no longer dissociated from the economy . . . Education is closely linked with the economy, and has become an organic component and key content of the plans for economic and social development' (Rosen, 1997, p. 259). Educational and economic developments were inseparable and education had to change to meet the needs of China's modernizing economy and its future development (Chen, 1999, p. 8).

Like many nations and regions in East Asia, the post-Mao government

is increasingly concerned with the role of education in improving China's economic competitiveness and its place in the regional and global markets. Along with the implementation of the economic reforms and the 'open-door' policy, the post-Mao Chinese leaders began to realize the important contributions that education could make to both economic development and social progress. In the early 1980s, Deng Xiaoping had already set out the fundamental direction of education and proclaimed that education must change to meet the needs of China's modernization, of the world and of the future. He emphasized that educational change and the development of the Chinese economy could not be separated. In pointing out that education was a foundation for economic development and scientific improvements, Deng had also reconfirmed its strategic importance in the construction of the 'Four Modernizations' in China (Chen, 1999, p. 8). With the further integration with the world economy, the Chinese leadership sees that the future of the nation is based on a high technology knowledge economy, and that the international competitiveness of the state will depend upon educational development and scientific technology as well as the degree of knowledge innovation (The Ministry of Education, 1998). In the 'Resolution on the Further Development of Educational Reform and Quality Education' passed at the Third National Education Working Meeting on 13 June 1999, the Chinese government explicitly stated that education would develop in the context of economic globalization. Educational restructuring has to centre on such notions as 'excellence', 'enhanced international competitiveness', and 'quality'. The focus is to develop skilled human resources.

The concern that education should serve the new economic vision prompted depoliticization of Chinese education. Although the emphasis on education as a political and ideological instrument has now diminished, this does not mean that education has lost its political function. Nor does it mean that the government has abandoned its commitment to socialism and embraced the free-market ideology integral to the global economy. China's adoption of the global economy is based on pragmatic economic considerations and not on an official conversion to the capitalist ideology with its concomitant commitment to democracy and a multi-party political system. China remains a socialist state under the domination of the Chinese Communist Party. Political courses, such as Basic Theories of Marxism, History of the Communist Party, are still compulsory; and political organizations, such as, the Communist Youth League and the Communist Party, are still intact and active on campuses. Depoliticization only means that

politics no longer figure prominently in the school curriculum. The political function of education has been downgraded in favour of an educational strategy that would accelerate China's march towards modernization (Rosen 1997, p. 251). As we shall see later, this pragmatic orientation opens the way for the government's willingness to relinquish to some extent its monopoly of education.

In line with the growing tolerance of the individualism associated with a market economy, the idea of education for personal advancement and personal fulfilment is no longer condemned. Education, especially higher education, is increasingly seen as a channel for social mobility and personal development. The government has begun to see education as consumption and a private good benefiting primarily the individual even though the nation may stand to gain in the long run. This orientation opens a new official stand on education financing. Since education is a consumption item, the consumer has to pay; and thus the fee-charge principle is introduced into the Chinese educational system.

Scarce resources and limited state capacity to fund education, a pragmatic perception of education to serve the economy, together with the perception of education as a consumption item has prompted the government to relinquish its once monopolistic control of education. The government has acknowledged that over-centralization and stringent regulation in the Maoist era had killed the initiatives and enthusiasm of local governments and educational institutions and resulted in the inadequate provision of education. The central government alone has not been able to assume the responsibility for satisfying people's increased demand for education. These different perceptions of the role of education have encouraged the central government to relax control and roll back its role in education thus justifying retrenchment in government funding and shifting the load to the other sectors.

The central government has decentralized the control of education to the provincial and county levels. Local authorities have been encouraged to play a greater role in the financing, provision, and regulation of education; and they have to find the money for education the central government has not provided. Prior to 1976, the government provided full support to educational financing; in the nineties, central government funding dwindled to only sixty per cent of the educational cost. Since in the new approach education is seen as benefiting the individuals, those who seek education need to contribute. Parents have to pay for the tuition of their children. Furthermore, because the major role of education is for skill and not political training, the government has been

willing to decentralize control and even to allow private individuals to offer education.

The priorities given to equity and efficiency have been reversed in the post-reform era. In the past, the Communist leaders emphasized the principle of equity and took deliberate measures to provide equal educational opportunities to children of both genders and from all ethnic and regional backgrounds. Mass campaigns were launched to criticize traditional patriarchal ideas. Large amounts of resources were transferred from the richer areas to supplement those in the poorer regions. In the post-Mao era, the principles of efficiency figure very importantly in the free-market economy, and the economic rhetoric of efficiency is gaining momentum in the Chinese education sector as well. Until recently government efforts to be efficient and to 'increase system effectiveness' have focused primarily on schools and regions with the infrastructure for further development. This has translated into developing the educational system in the urban areas or richer regions at the expense of the rural areas or poorer regions.

Dual approach in education restructuring

China's participation in the global market and its changing views of education injected great driving forces for the restructuring of Chinese education. Given the huge gap between limited educational investment and people's increasing demands for education, it is reasonable to say that Chinese educational restructuring is driven by resource scarcity and guided by the principles of the global market economy. Like other governments in developing countries, the Chinese government adopted the two strategies of decentralization and marketization in response to resource scarcity (Robertson, 1992).

Decentralization refers to the relinquishing of central government control and responsibility for the provision and management of education to the local levels. This policy not only allows provincial and county governments to have a greater say in educational matters, but also opens the way for private organizations and even individuals to operate schools. The last measure leads to the marketization of education: the creation of an educational market where private individuals and organizations can compete with the public schools for clientele and even run schools for profit. The adoption of this policy of marketization against a background of a market economy, as we shall see later, leads to deep and far reaching changes in the organization of education. Through these policies of decentralization and marketization, the

Chinese government opened the doors for fundamental changes in the orientation, financing, curriculum, and management of education (Agelasto and Adamson, 1998).

The strategies of decentralization and marketization are embodied in two key government documents. The first is the 'Decision on the Reform of the Educational System' issued by the party's Central Committee at the National Education Conference in May 1985 (hereafter referred to as the 1985 Decision), which marks the first critical step taken to restructure Chinese education. The Decision admitted that rigid government control of schools led to inefficient management in education. Under the principle of linking education to economic reform, the document called for the devolution of power to lower levels and the reduction of the rigid government controls over schools. While the central government through State Education Commission (SEC) would continue to monitor the process and provide basic guidelines to educational development, local authorities were given the authority and power to administer elementary education. Local authorities were required to bear more financial costs of education, multiple methods of financing education were encouraged, and the establishment of schools run by the non-state sector was allowed (CCPCC, 1985).

The second document, the 'Programme for Education Reform and Development in China' promulgated in 1993 (hereafter the 1993 Programme), explicitly stated the government intention to marketize education and provided more specifics on how it should work. The government declared that 'the national policy is to actively encourage and fully support social institutions and citizens to establish schools according to law and to provide correct guidelines and strengthen administration' (CCPCC, 1993). The central government reaffirmed its 1985 commitment to refrain from direct control of education to one of managing schools through legislation, funding, planning, and advising. The 1993 Programme also claimed that in order to fulfil the need for setting up a socialist market economy and promoting political and scientific reforms, the pace of educational restructuring and development needed to be quickened so as to train more technical personnel for socialist modernization. It advocated *kejiao xingguo*, the development of education and science to build a strong and rich nation (Chen, 1999, p. 5).

Changes in educational governance

When the Communist party took power, education was under strict government control. The Communist government exerted a tight control over education because the Party viewed education as an

instrument for spreading the official ideology of communism. The educational system developed in the 1950s was characterized by unified planning, unified administration, unified syllabus, unified curricula, unified textbooks, unified enrolment, and unified allocation of school and university places. Under this centralized system of education, the state assumed the responsibility for formulating educational policies, allocating educational resources, exerting administrative controls, recruiting teaching staff and deciding on curricula and textbooks. In a nutshell, the state monopolized the provision, financing, and governance of education. By the late 1970s, the government decided that this highly centralized educational system had stifled the incentives of educators, educational institutions, and local governments to develop education, and as a result had slowed down educational and economic development in China.

The 1985 Decision and the 1993 Programme marked the change in government orientation in educational administration. Reforms in the management of education have been introduced and implemented gradually and incrementally. These reforms in educational governance can be appreciated at two levels: first, the relationship between the centre and the locality, and second, the relationship between the government and the schools.

The new pattern of 'classified management' (*fenji guanli*) and 'classified responsibility' (*fenji fuze*) in educational governance changed the relationship between the central and local governments. According to this system, each class or level of government has specific responsibilities. The central government only carries out macro planning and sets the general guidelines for the management of education; local governments are responsible for the formulation and implementation of specific policies. The authority and responsibility for administering and funding elementary education have been delegated to local governments, which at the county level, also have the authority and responsibility for providing leadership, administering and inspecting schools (Hao, 1998, pp. 41–81).

As for the elementary education, with the devolution of financing and administrative responsibilities from the central government, local government at all levels have taken over the main responsibility for educational development in their respective jurisdiction. As a result, the government at the grassroots level has assumed the mission to develop elementary education, especially in the rural areas. Although the finance of the elementary education is a constitutional responsibility of the local government, the burden of funding rural compulsory educa-

tion is actually being shifted to the shoulders of the poor peasantry because of the poor finance of the grassroots township governments.

The management of higher education under both the central and provincial governments was established. Provincial governments were encouraged to cooperate with the central government via the Ministry of Education (MoE) to run and fund all MoE-led universities located in the provinces. In the past, other ministries, for example, Ministries of Agriculture, Chemical Industries, Finance and others had their own universities. Now, non-educational central government ministries have retreated from running higher educational institutions. With a few exceptions, these higher educational institutions originally run and administered by the central ministries located in the provinces have been taken over by the provincial governments. They are responsible for coordinating higher education in their localities and managing these schools.

With the increasing role of the local government in higher education, a new trend of localization of higher education emerged in China. Take Shanghai for an example. As one of the regions in China where higher education is most prosperous and well developed, it had about 50 full-time colleges and universities in the early 1990s. Among them, more than half are run and funded by the Ministry of Education and other departments at the central level, while others are run and funded by the Shanghai municipal education department and other municipal departments. Such a system for administering higher educational institutions led to the separation of the centre and the locality, the segmentation of universities, resource wastage, and functional overlapping, and thus could not achieve economies of scale. With decentralization policies being pursued by the central government, the Shanghai municipal government planned to strengthen its coordinating function in relation to the universities that are located in Shanghai. The municipal government began to make adjustments for the universities and colleges, that were previously under the control of the various departments of the municipal government, by transferring them to the jurisdiction of the Municipal Commission for Education. At the same time, many universities and colleges which have similar functions were merged and combined together. For example, in May 1994, the original Shanghai University was merged with the Shanghai University of Industry, Shanghai Science and Technology University and Shanghai Higher Vocational College of Science and Technology to form the new Shanghai University. In October 1994, the Shanghai Normal University and Shanghai Technical Normal Colleges were also merged. Resources are concen-

trated and directed to a few key universities and key disciplines so as to enhance investment efficiency. For instance, starting from 1999, Shanghai decided to pull financial resources together to fully develop Fudan University and Shanghai Jiaotong University – the two key universities that are under the Ministry of Education but are located in Shanghai – aiming to build them into 'world-class' universities. Meanwhile, the municipal government started to cooperate with the Ministry of Education to run and fund all the seven MoE-led universities located in Shanghai. Besides two special colleges, all the higher educational institutions originally run and administrated by central departments and located in Shanghai have now been taken over by the municipal government (Chan and Ngok, 2001).

With regard to the relationship between government and school, the macro-management of education by the government is strengthened, but the autonomy of school has been increased. Instead of the government directly intervening in the everyday operation of the schools, the government manages schools through legislation, funding, planning, provision of information, advice and other necessary administrative means.

In addition, the internal management system of the individual educational institution has been reformed. In recent years, the Principal Responsibility System has been established in elementary schools. Under this system, school principals are given more freedom in managing their schools but within the limits of the law and state policy. They have control of their own budgets as well as the responsibilities for hiring and firing teachers and other staff. In addition, many schools have Boards of Directors to oversee the running of the institutions while the principals are responsible for the everyday affairs of the school. The 'Presidential Responsibility' system is practised in higher education institutions. Under this system, university presidents are held responsible for the formulation of policies and long-term development plans as well as objectives. Under the macro-management of the government, universities have autonomy in the organizing of teaching and research, in personnel decisions, and in the distribution of funding and materials (Fan, 1995). Specifically, universities have the power to formulate annual recruitment plans, to adjust the quota of students among different departments and programmes, to restructure and establish programmes, to determine the internal structure, to hire and fire teachers and staff, to raise and use funding, and to distribute bonuses and benefits to staff. Within the university, colleges and departments also enjoy greater autonomy and

powers in matters relating to teaching and research, management of personnel, and resource allocation (Mok, 1997).

Although the central government has reduced its role in education financing and administration, its influences in curricula has increased. Take higher education as an example. Though the government has tended to reduce per capita public funding to higher education, it has taken various administrative and financial initiatives to influence the researches and teaching curricula of higher education. Since the 1990s, through competitive allocation of operation funds, launching government-initiated projects, building up key national bases for humanities and social sciences research and key national laboratory for science and technology, the government has concentrated the limited resources to influence the direction of higher education development, and encourage competition among higher educational institutions. To this extent, the role of the government in education in the context of globalization has not been reduced. In addition, the role of cell organizations of the Communist Party in administering education in China cannot be ignored.

On top of the financial measures, the Chinese government attached more importance to the role of law in administering education. Law has become an important form of educational governance. More and more laws on education have been enacted since 1980 when the 'Regulations on Academic Degrees', the first educational law, was promulgated. In 1985, the Decision on Educational System Reform called for speeding up the work on educational legislation. The 1993 Programme proclaimed to make use of legislation as a main means of educational management. From 1993 to 1998, four laws on education were enacted: the Teacher Law (1993), the Law on Education (1995), the Law on Vocational Education (1996), and the Higher Education Law (1998). With the promulgation of these laws, a legal system of education was established preliminarily in China (Sun, 1999, pp. 62–84).

Changes in educational investment and provision

Educational financing is a major aspect of educational restructuring. In China, investment in education is gravely insufficient (see Table 1). As a result, the state has never satisfied the pressing demand for education among the population. In order to improve the financial situation, the state searched for 'multiple channels' of educational financing instead of solely relying upon the state's support. As a result, a new system of educational investment has taken shape in China. Besides relying on

Table 1   Educational expenditure in China (1990–2000)
(Unit: 100 million yuan)

Year/ Category	Total national educational expenditure*	National financial educational expenditure**	Budgetary educational expenditure***	National financial educational expenditure as the percentage of the GNP
1990	656.36	548.7	443.9	3.10
1991	731.5	599.5	482.2	3.02
1992	867.05	705.4	564.9	2.65
1993	1059.94	867.8	644.4	2.52
1994	1488.78	1174.7	884	2.62
1995	1877.95	1411.5	1028.4	2.46
1996	2262.3	1671.7	1211.9	2.44
1997	2531.73	1862.54	1357.73	2.49
1998	2949.06	2032.45	1565.59	2.25
1999	3349.04	2287.18	1815.76	2.79
2000	3849.08	2562.61	2085.68	2.87

Source: Zhou, Y.W., Huang, L.X. and Gao, J.M. (1999), p. 30; Yang, D.P. (2001a); and The Ministry of Education, the State Statistical Bureau and the Ministry of Finance (2001)
* The total national educational expenditure includes national financial educational expenditure, fund from social organizations and individual citizens for school-running, donations and fund raised from society, tuition and miscellaneous fees, and others (see Table 2)
** National financial educational expenditure consists of budgetary educational expenditure, tax and fees levied by local governments for education (including urban and rural educational surcharges, local educational surcharges), funds from enterprises for school-running, revenues from school-run enterprises, part-work and part-study programmes and social services, and others
*** Budgetary educational expenditure refers to money appropriated to all kinds of schools and educational institutions by the finance departments or the related superior departments of governments at all levels within a financial year, which is categorized as educational expenditure in the government budget

the central governmental educational budget, an increasing portion of the financial resources to run public schools come from local taxes, tuition, overseas donations, local fund raising, and income from enterprises (see Table 2). Since the early eighties, state funding in higher education has been gradually reduced while grants, funds and loans generated from other non-state sectors have become increasingly important.

Throughout the eighties and nineties, the majority of students in higher education were financed by the state, but new types of fee-paying

Table 2 Composition of national educational expenditure (1996)

Items	Amount (100 million yuan)	Percentage of total educational expenditure (%)
Budgetary educational expenditure	1211.91	53.57
Tax and fees levied by local governments for education (including urban and rural educational surcharges, local educational surcharges)	239.67	10.59
Funds from enterprises for school-running	115.60	5.11
Revenues from school-run enterprises, part-work and part-study programmes and social services	87	3.85
Fund from social organizations and individual citizens for school-running	26.20	1.16
Donations and fund raised from society	188.42	8.33
Tuition and miscellaneous fees	261.04	11.54
Others	132.50	5.85
Total	2262.34	100

Source: Finance Department of the State Education Commission and Department of Social Sciences of the State Statistical Bureau (eds) (1997) *China Educational Expenditure Statistics Yearbook* (Beijing: China Statistical Press, p. 2)

students have emerged. These are the commissioned students and the self supporting-students. The former are students enrolled as a result of contracts that universities have signed with enterprises and other employing units, or even individual employers; the latter refers to those who have to pay out of their own pockets (Yin and White, 1994). Since 1997, all students enrolling in higher education have to pay tuition fees while students from poor families apply for scholarships or subsidies from their universities or institutions (Agelasto and Adamson, 1998; Cheng, 1997). Tuition fees figure more prominently in the income of higher educational institutes.

Educational institutions at all levels engage in different revenue generating activities to find additional funds to sustain their institutes, and to improve the living and working conditions of faculty members. Schools offering commissioned courses, running adult classes and evening courses to attract more students, or charging consultant fees are becoming more and more popular (Mok, 1999; Wei, 1996). To attract more grants and funds, Chinese universities establish and maintain close links with the business and industrial sectors (Mok, 2001; Zhou

and Cheng, 1997). They promote technology transfer and commercialize the results of their academic research; some even set up their own businesses and enterprises (Kwong, 1996).

Privatization has also been used as a means to fund education. Privatization can be seen as a form of transfer of responsibility and resources from the public to the private sector. For a long time, all schools in China in general have been under direct governmental control, such that they were run, funded, and managed by the government. To increase educational facilities, non-state sectors, such as mass organizations, business enterprises, private institutions, private individuals, and even foreign institutions are encouraged to support academic programmes in existing educational institutions or to sponsor educational institutions (Ren, 1996; Zhou and Cheng, 1997). Since the mid-1980s, different types of schools and colleges run by the non-state sector have emerged and their number has grown steadily. Officially, these schools are registered as *minban* (people-run) schools, which include a wide variety of schools run by different non-state bodies (*shehui liliang*) – collectives, mass organizations, business enterprises and private entrepreneurs (Peng, 1997). This so-called 'non-state-sponsored' education can realize multiple channels of financing, encourage diversification in the provision of educational services, and the like. Moreover, it can also encourage competition, and thus increase effectiveness and efficiency in the provision of educational services.

On top of developing *minban* schools, the Chinese government also encouraged the privatization of public schools. Take Shanghai as an example. From 1993 onwards, Shanghai piloted a scheme to transform the management system of the public primary and secondary schools (*zhuanzhi xuexiao*). Under this scheme, would the ownership of the public schools still be in the hands of the government but their administration would be contracted out by the education department to enterprises, business organizations, social organizations, or individual citizens. The contracted-out public schools may be run with reference to the policies applicable to the *minban* schools in respect of student recruitment, collection of tuition fees, selection and appointment of principals and teachers, and schools' internal management. As a result, these schools can now have a relatively higher degree of autonomy in running their own affairs than they used to have. In general, this kind of school can be classed as 'public schools run by non-state bodies' (*guoyou minban*). Though non-state schools have developed quickly in recent years, they remain peripheral (Tilak, 1991) in the

educational system; public schools and universities remain the principal providers of education in China (Hayhoe, 1996).

Market-driven curricula and programmes

Since education was considered an instrument of ideological control in the Maoist period, the Chinese government exerted strict control over the curriculum. For many decades, the drafting of textbooks was carefully supervised by the state, and only one basic set of textbooks was allowed for use in schools (Bray, 1999; Kwong, 1985). This situation has changed with the introduction of the economic reform and open-door policy, and the revision of the main function of education to impart knowledge and skills.

Although the government still holds the power to examine and check all textbooks written for the state-set syllabi, the state does not monopolize the writing of textbooks. Schools, publishers, and individuals are given the right to edit textbooks. Greater flexibility in course structure and curriculum design is exercised not only in private/*minban* but also in public or government schools. To equip students with the skills and knowledge that are in demand in the free labour market, the design of curricula and the structure of courses are inevitably, to some extent, driven by market forces and the labour market needs (Wei, 1996). In response to the emerging needs and the demand from students and their parents, school curricula now include the study of foreign languages, computer technology, art, and other applied subjects.

Since 1985, higher institutions have been able to participate in the definition of the curriculum. They were given power to modify the teaching objectives in the different disciplines, formulate teaching plans and programmes, and compile and select teaching materials (Hayhoe, 1989, p. 41). This increasing autonomy given to universities is reflected in the broadening of the fields of studies. Before 1980s, the curricula in the universities were very specialized, and students were locked into narrow fields of study. The highly specialized nature of the curricula made the graduates quite inflexible in adapting to new technologies and the changing labour market, and sometimes even produced an imbalance between the supply of and demand for these highly trained and specialized labour. Increased institutional autonomy has given universities more power to run institutions according to labour market needs, to revise curricula and syllabi, and to introduce new courses of study. Many universities have taken the initiative to broaden the over-specialized curricula by combining several narrowly specialized

academic programmes into broader ones. With the greater power in formulating teaching plans and materials, universities have designed their courses to make their graduates employable and to suit employers' demands. University courses and curricula are 'market-driven', stressing practical and applied values of the curriculum (Johnes and Taylor, 1990; Mok, 1998). Specialities that fail to attract students are phased out.

Another important innovation in educational programming is the introduction of the concept of lifelong learning. In December 1998 the Ministry of Education proposed an 'Action Plan to Revitalize Education Towards the twenty-first Century' to establish a new educational system as well as a lifelong learning system. Lifelong learning and lifelong education is the foundation of the 'knowledge society', and the knowledge society is necessary to increase the national quality of education and to maintain the nation's competitiveness. Shanghai is the frontrunner in the quest for a 'Learning Society' in China. In 2000, the municipal government collaborated with other sectors, such as, public libraries, museums and media, to organize various kinds of formal and informal educational activities and to launch learning campaigns for the general masses (Ngok and Chan, 2000).

Student intake and graduate assignment

Reforms in student recruitment system started in 1985. Junior high school entrance examinations at the district level were abolished; students no longer entered better schools because of their higher academic grades. Instead, the principle of 'local admission' was adopted in junior high school student recruitment with students going into the schools of their neighbourhood. In some cities, key (elitist) junior high schools have been abolished; and where they still exist, graduates of key junior high schools no longer automatically enroll in key senior high schools. Entrance examinations into senior high school remain, but the weight given to the results of these formal examinations has been decreased whereas weight given to the assessment of a student's quality and ability has been increased.

Reforms have also been introduced in university entrance examinations. In 1996, Shanghai piloted the 'three plus one' mode of examination to reduce the pressure on students. Senior high school graduates are required to take examinations only in Chinese, mathematics, and one foreign language (usually English), and an optional subject instead of the traditional five or six subjects that students previously took. In the past, high school graduates could participate in the university entrance examination only in autumn; now school leavers can take

Table 3   Number of higher institutions and student enrolment

Year	No. of institutions	New students	Graduates	Students enrolled
1977	404	273,000	194,000	625,000
1978	598	402,000	165,000	856,000
1979	633	275,000	85,000	1,020,000
1980	675	281,000	147,000	1,144,000
1981	704	279,000	140,000	1,279,000
1982	715	315,000	457,000	1,154,000
1983	805	391,000	335,000	1,207,000
1984	902	475,171	286,937	1,395,656
1985	1,016	619,235	316,000	1,703,000
1990	1,075	609,000	614,000	1,206,300
1995	1,054	926,000	805,000	2,906,000
1998	1,022	1,084,000	930,000	3,409,000
1999	1,071	1,597,000	848,000	4,134,000
2000	1,041	2,206,072	949,767	5,560,900

Source: Figures from 1977 to 1985 cited from Lo, L.N.K. (1991), p. 575. Figures from 1990 to 1999 cited from The State Statistical Bureau (2001). Figures of 2000 cited from Yang, D.P. (2001b)

examinations in spring or autumn in Shanghai and in some other provinces. Since 1985, in addition to recruiting students on the basis of their performance in these entrance examinations, higher institutions can enrol additional students on the basis of contracts with enterprises. Students with lower scores in the university entrance examinations are accepted if they pay their own fees, but they are responsible for finding their own jobs on graduation.

The remarkable change in university student enrolment took place in 1999 when the Chinese government decided to increase the size of enrolment substantially. In 1999, the intake of the regular higher education institutions increased by 42 per cent, from 1.08 million in 1998 to 1.53 million. In the following years, quantitative growth continued. In 2000, the intake of higher education institutions reached 2.2 million, almost double the intake in 1998 (Yang, 2001b). Such a substantial expansion of education has not only greatly satisfied the huge social demand for higher education, but also stimulated the deflated economy and eased up the huge pressure of employment in China.

Significant changes have also taken place in the area of job-assignment system for graduates. In the past, university graduates in China were given jobs only according to the government centralized plan – there was no prior meeting between the employer and employee

(Williams *et al.*, 1997, pp. 152–3). This often resulted in a mismatch between job requirements and the students' expertise and preference. In the late 1980s, this practice changed to one of 'mutual selection' between employers and graduates with employers specifying their job requirements and graduates their job preferences. The purpose is to give graduates greater freedom in choosing the jobs they prefer and to produce a better match in job allocation to meet the needs of the socialist market economy. In the beginning, the government allowed only a certain proportion of graduates to contact prospective companies directly prior to graduation (Williams *et al.*, 1997, pp. 152–3), but the proportion of graduates being 'assigned' to jobs has gradually decreased.

Competition as means to enhance efficiency and effectiveness

Competition has been introduced into the Chinese 'educational market' with the diversification in education provision and especially the appearance of the non-state run schools and colleges. Because these private/*minban* schools are relatively new and ill-equipped, they are not in a good position to compete with the public schools for students, teachers and resources. However, there is keen competition among the *minban* schools and also serious competition among the government schools.

The Chinese government has played an increasing role in encouraging educational competition as they see competition as the effective way to elevate China's education and technology profile. Since the 1990s, in order to encourage the competition among higher education institutions, the Chinese government has taken various measures, such as competitive allocation of operation funds, and government-initiated projects, for instance, the '211 Project'. In order to concentrate the limited resources on key areas, the central government launched some new initiatives with the aim of inspiring competition, for example, the plans to build up key national bases for humanities and social sciences research, and key national laboratories for science in regular universities. The most important is '211 Project', which was initiated in the mid-1990s with the aim of developing one hundred world-class universities by the beginning of the twenty-first century. According to this project, 100 institutions of higher education are chosen to develop selected disciplines. The state would allocate additional funds and grants to the selected universities to develop these subject areas (Christiansen, 1996). Central to this scheme is the intention of introducing 'competition' among universities by rewarding the top one hundred. Universities

are assessed by quantifiable, objective criteria on staffing, buildings, libraries, laboratories, research, funds, and so on, in order to determine whether they are 'qualified' to be included in the list (Mok, 2000).

Each province or municipality was to identify one university for strategic development purposes. If financial resources were available, individual provinces and municipalities could allocate additional funds to develop one more key university in their own regions. For example, Shanghai municipal government identified Fudan University and Jiaotong University in 1998 as the two 'key universities' in the region, and additional resources were given to the two universities to make them the best institutions in the whole region (Field Interview in Shanghai, 1999). Universities that are less well-endowed can merge with other local colleges to become a comprehensive university to increase their strengths and competitiveness.

Rapid educational development and educational inequality

China's educational structure consists of elementary education, vocational education, regular higher education, and adult education. Since China opened its door to the outside world in the late 1970s, China's education has experienced great changes because of its strong links with international communities and the influence of international forces. Integrating with the international community has not only attached great importance to the role of education in national economy, but also stimulated the educational demand of the people. By adopting the policy of decentralization and making use of market forces in the educational arena, more and more social forces have been enhanced to provide educational services, while the initiatives and enthusiasm of local educational institutions have been encouraged. As a result, educational opportunities have increased, and the size of the education service has grown rapidly in the past two decades. As regards elementary education, by the end of 2000, more than 99 per cent of school-age children are enrolled in primary schools, while about 95 per cent of graduates of primary schools have the opportunity to study in junior high schools. As regards vocational education, the size of all three levels of vocational education, that is, elementary, middle and high levels, has expanded quite rapidly since 1980. By the end of 1998, there were 17,090 vocational schools of all kinds in China, which educated more than 114 million students. The expansion of higher education has been

most remarkable. The gross enrolment ratio of higher education has increased from 3.4 per cent in 1990 to 11 per cent in 2000 (National Center for Education Development Research, 2001, p. 11). In 2000, a total of 2,206,000 students were enrolled in 1,041 regular higher educational institutions. It is expected that the gross enrolment ratio of higher education in China will achieve 15 per cent by 2010 (Ji, 2000).

While educational opportunities have expanded rapidly, and the gap between demand and supply of education shortened, especially in the higher education sphere, not all Chinese people have benefited from the rapid expansion. The inequality of educational opportunity has in fact worsened. First of all, there is an increasing rural–urban disparity in terms of educational opportunity. Rural–urban disparity is a long-standing problem in China's social development. Educational disparity between rural and urban regions has widened since the late 1970s. The enrolment ratios of rural primary and junior high school students are relatively lower in relation to their urban counterparts'. Many rural students discontinued their studies. More importantly, rural education has long suffered from insufficient investment, because of this, many rural students are studying in dangerous classrooms, and many rural teachers are suffering from pay arrears. It is estimated that over 60 per cent of the rural population has had an education lower than six years primary education (Zhang, 1998), most of them concentrated in the impoverished western areas. Secondly, the economic reform has also contributed to the regional disparity of education. There is great variation in educational development across provinces. Generally speaking, major cities and coastal regions have benefited much from the rapid growth of education. In terms of educational resources, the average per capita education expenditure for junior high school student in 1995 was 1535.83 *yuan* in Shanghai, and 311.86 *yuan* in Sichuan (Liu, 2002). The rapid expansion of higher education in recent decades benefited mainly the people in the coastal provinces and large cities. In Beijing, the higher education enrolment rate of senior high school graduates reached 70 per cent in 2001. In Shanghai, 38.8 per cent of the 18–22 age group were recruited by higher educational institutions. In Jiangsu, the gross enrolment ratio of higher education reached 15 per cent in 2001 (Yang, 2002). Gender inequality in education is also a serious problem in China. Although the general situation of female education in China has improved, the gender inequality is still severe, especially in the rural inland; education opportunity for girls was ignored because of poverty. In 1997, there were 145 million adult illiterates in China, among them, 70 per cent were female (Liu, 2002). Even worse, the huge change in

social stratification has led to a large disadvantaged social group in China, which include the unemployed, laid-off workers from the ailing state-owned enterprises, and others suffering economic vulnerabilities. Students from these poor families have found it difficult to afford the soaring educational costs, especially in the higher education services. Access to higher education for some students from poor rural areas and urban poor families is denied because of increasing financial difficulties. Statistics revealed that students from poor families accounted for 10 per cent of the total national university student population (Yang, 2002). Although financial aids have been offered to poor students by the governments at all levels and to the related higher education institutions, the coverage is limited because of the limited resources. Although banks and financial institutions are encouraged to provide loans to students, they hesitate to do so because there is no guarantee that they can recall the loans.

Expanding international educational cooperation

International cooperation is an important aspect of China's educational development under the impacts of globalization. The open-door policy adopted in 1978 ended the self-isolation of China's education, and started a new stage of international communication and cooperation in the education sector. Chinese students were sent abroad for further studies, and foreigns students were hosted in China. Meanwhile, cross-border academic communications were resumed and expanded. International communication and cooperation has become the new dynamics of China's education reform and development.

In the years since 1979, more than 320,000 Chinese students have been sent to more than 100 countries and regions. Meanwhile, China has hosted 340,000 students from more than 160 countries and regions. In addition, some 40,000 foreign experts and teachers were imported into China. A huge number of Chinese experts and academicians were invited to take part in international conferences held abroad, and to make presentations. In 1996 alone, China sent out more than 10,000 students to nearly 100 countries and regions and hosted nearly 33,000 international students from 160 countries and regions (China Education and Research Network, 2001).

In addition to student exchange and academic cooperation, China has cooperated closely with international organizations, such as UNESCO, UNICEF, UNDP, World Bank and many other international and regional organizations. The fields of cooperation cover all aspects of the education sector. China has benefited greatly from the

educational aids offered by these organizations. Loans from the World Bank have become a constituent component of China's educational development strategy and planning. A special office in charge of loans from the World Bank was set up under the Education Ministry. The World Bank alone has provided China with a loan of US$14.7 billion for the education development programme. Aids from other international organizations exceed more than US$100 million. China has also established close cooperative relations with educational institutions in Hong Kong, Macau and Taiwan. This has proved rather beneficial due to the influx of increasing education aid from these institutions to China (China Education and Research Network, 2001).

Wide use of modern educational technology

The widespread use of modern educational technology is one the main features of China's educational development in Post-Mao period. The use of television injected new forces into China's education development programme. Earlier in 1978, the Chinese government decided to set up the Central Radio and Television University (CRTVU) and the Central Audio-visual Center in Beijing with extensions all over the country. In order to maximize the role of television in education, the China Educational Television Station was set up in 1986. Local governments also established their own educational television stations. The 1980s witnessed the rapid development of the broadcast/TV-based distance education in China.

Since the 1990's, the use of information and internet technologies has become the new driving force of China's educational development, especially in distance learning. Universities have played the key role in developing cyber education. At the end of 1994, with financial support from the central government, Tsinghua and nine other universities completed the China Education and Research Network (CERNET) Pilot Project the first TCP/IP-based public computer network in China. In 1997, Hunan University, through cooperation with Hunan Telecom, established China's first on-line university. In 1998, Tsinghua University launched the on-line master programmes. Tsinghua University, Beijing University of Post and Telecommunications, Zhejiang University and Hunan University are among the first batch of higher educational institutions pioneering distance learning. To regulate the development of distance learning, the Ministry of Education promulgated a document entitled 'Opinions on Developing Advanced Distance Learning in China' in 1999, which expatiates the guidelines, aims and tasks of Distance Learning in China. In August 1999, Beijing University

and the Central Broadcast and TV University joined the pioneer list for distance learning (Liu, 2001).

The year of 2000 witnessed a leap in progress in cyber education and distance learning in China. In July, the Ministry of Education promulgated 'the several opinions on supporting some universities and colleges to set up internet education schools and pioneer distance learning'. According to the document, 31 universities and colleges were granted substantial autonomy in their distance-learning initiatives: they may set the admission gateway and determine the admission quota, offer programmes outside the subject catalogue, and award degree certificates. In September and October, some of the above-mentioned higher education institutions kicked off their on-line campus programmes. On October 31, China Advanced Distance Learning Satellite Broadband Multimedia Transmission Platform went into operation, allowing simultaneous transmission of decades of video and multimedia channels at different rates. Moreover, the internet access service provisioned on the platform enables high-speed interconnection with CERNET, forming a satellite-land consolidated bi-directional education network. Operation of this platform thoroughly changes the situation of one-way transmission over satellite TV network in China. According to the statistics revealed by the Ministry of Education, by the end of 2000, the 31 higher education institutions had offered seats to nearly 190,000 users, most of them pursuing degree programmes (Liu, 2001).

Discussion and conclusion

The Chinese government may not be fully committed to the ideology underpinning the global economy; she was driven to it by more pragmatic considerations of financial stringency and the desire for economic advancement. Nevertheless, integration into the world economy has led to a redefinition of the role of education in China. The central government decreased the importance attached to education as a political and ideological instrument and began to see it more as an instrument to impart the scientific and technological knowledge needed in the global economy. This change of priorities prompted the state to relinquish its monopolistic role in education and to allow room for non-state social forces to become involved. This depoliticization of education became a precondition for decentralization and marketization. Decentralization and marketization in Chinese education have to be understood against the background of depoliticization in education and the demono-

polization of the role of the state in the provision of education. The use of the strategies of decentralization and marketization in the Chinese context is highly instrumental. The Chinese government intended to use these strategies to improve its financial situation and enhance the efficiency and effectiveness in the use of its resources in the face of financial stringency. The adoption of these policies reflected an attempt to make use of market forces and new initiatives from the non-state sectors to mobilize more educational resources and create more learning opportunities for its citizens.

Nevertheless, the educational changes resulting from these two processes are far-reaching. The dual trends of decentralization and marketization have considerably affected education policy and structure with changes ranging from administration, financing, programming, and student intake, to graduates' employment. More importantly, these changes have changed the relationship between the central and local governments, the state and the schools, and also the role of the state in education. The increasing responsibility of local governments for educational investment has reduced the role of central government and increased the power of the provincial and county governments in educational planning and administration. The introduction of fees and the adoption of multiple-channels of funding in the schools have diminished the central and local governments' responsibilities for educational financing and increased school autonomy. It has ushered in a new administrative relationship between the schools and the government. Direct state control and management in schools were abandoned; instead the state relies on regulative and financial tools to manage the schools. The autonomy and the bargaining power of the schools with the government in running school-related affairs have been increased. With changes in educational financing, a new system of educational provision has developed with the market/private sector engaging in educational provision in order to meet the primary needs of the people. The emergence of private schools further undermines the role of the state at the central and local levels in managing schools; it also demonstrates the shared responsibility of the state and the non-state sectors in providing educational services.

While the delegation of powers to the local levels has mobilized local resources, allowed greater degree of participation at the grassroot level, and created more educational opportunities, it also has its problem. Since the central government cut back its responsibilities as the provider of education, the role of the local governments is enhanced in educational planning and administration especially in terms of educational

financing. Because of the enormous economic disparities among the diverse regions of China, there have always been differences in educational resources and the level of educational development across the nation. Traditionally the central government has played a redistributive and equalizing role. However, the autonomy given to local governments since 1978 accentuates the regional disparities. With fewer resources and a greater appreciation of the immediate returns from industrial and agricultural investments than the delayed and less direct benefits from education, local governments with few resources sometimes do not provide adequate support to education. Sometimes they even transfer central educational funds to other items leaving schools in disrepair and teachers unpaid for months, and parents charged high tuition fees. As a result, regions with few resources lag further behind whereas local governments with better resources have made greater advances in education; students from richer families have more educational opportunities open to them, those from poorer families find it harder to get an education. The impact of the strategies of decentralization and marketization in education is similar to that in the general economy. These strategies have infused energy into the educational sector, and opened up new opportunities, yet they have also increased social disparities by providing more opportunities to some and not others.

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7
Globalization and the Philippines' Education System

Swee-hin Toh and Virginia Floresca-Cawagas

Some fifty years ago, the Philippines emerged from three centuries of Spanish colonialism and another five decades of US rule. In the euphoria of statehood, modern schooling that had been significantly shaped under American tutelage promised hope and mobility for individuals and economic progress for the country. After fifty years of post-colonial development, it is imperative to reflect on the value of education in the lives of more than 70 million Filipinos.

The Philippines is a beautiful island nation of warm-hearted, intelligent, and resourceful people. Yet, thousands of children struggling to survive on the streets are deprived of basic education. The urban poor suffer from homelessness as they work in jobs that do not adequately provide for their basic needs. In the countryside, the rural majorities eke out a marginal existence. Meanwhile the flow of Filipinos abroad to seek work has become a torrent, yielding two billion dollars of remittances to an economy burdened with crippling debts. Throughout the archipelago, resource extraction, boosted by export-oriented growth-first economic policies and strategies, leaves a trail of irreversible environmental destruction. Even after the downfall of the Marcos dictatorship, social and political conflicts continuously surface as the dominant modernization paradigm of development aggravates social injustice and sparks armed revolutionary struggles. The increasing spread of globalization towards the end of the last century has placed even weightier burdens of poverty, indebtedness, and marginalization on the shoulders of the vulnerable majority of Filipino children, women, and men.

Scanning this societal landscape, it is certainly meaningful to ask what role education in the modernization paradigm has played in the complexities of national and international development. In the face of numerous social, economic, political, and cultural problems, does the

Philippines educational system bear any responsibility or accountability? Most importantly, can and should educational values, practices and structures be transformed so that they can help build a nation based on the principles of justice, human rights, non-violence, and democracy?

Education for development?

In the post-colonial era, most South governments took seriously and aggressively the task of building and expanding education. Billions of dollars were invested in education, most of which came from foreign aid programmes. Private organizations, churches, and individual families were similarly committed, pouring precious time, capital investment, and human resources into education. It was argued that education is an important way to provide 'human resources' or 'human capital' necessary to sustain modernizing and growing economies. According to this logic, educational investment promotes economic growth, while on the individual level, education is said to facilitate social mobility (Burnett, 1996; Harbison and Myers, 1984). In the latest UNESCO World Education Report (1998), this productivist view of educational quality and purposes is mentioned as one of the two main strands of educational policies worldwide. The Report explains further:

> 'Assessment,' 'adjustment,' effectiveness,' 'performance outcomes,' 'fiscal constraints,' and of course 'human capital' are just some of the signs of how widely the productivist view has permeated educational policies compared, say, thirty years ago.
>
> (UNESCO, 1998, p. 30)

The 1980 World Development Report (World Bank, 1980) argued that because education has a positive influence on cognitive as well as non-cognitive skills of learners, it increases the rates of return among the self-employed and the employed in the developing countries. It is further believed that education fosters political citizenship as values and attitudes of democracy are learned.

Most countries welcomed the growth of educational aid, which included physical equipment, buildings, textbooks, foreign experts, and scholarships to study abroad (Bown, 1988; Farrell and Heynemann, 1988; Harbison and Myers, 1984). Educational structures and institutions became dominated by formal academistic schooling and hurdles of entrance examinations. This was propelled by the philosophy of putting young people into classrooms for a number of years, awarding

a successful few with credentials that qualify them for jobs in the modern sector (Toh, 1987).

Worldwide however, there is mounting evidence of crisis in this dominant and powerful educational paradigm. The social, economic, political, cultural, and moral problems arising from existing educational systems and structures have prompted citizens to challenge the usefulness and relevance of the current educational worldview (Arnove, 1980; Bacchus, 1981; Carnoy, 1982). Despite the expansion of education at all levels, a large number of people in poor South countries still lack opportunities for basic quality education. Over 800 million adults are projected to remain illiterate in the 1990s, while the worldwide economic recession has slowed or even reversed educational growth (WCEFA, 1990).

In the World Conference on Education for All (WCEFA) held in Jomtien, Thailand (1990), delegates clamoured for basic education to be truly accessible to all, especially the neediest. Hence, the Report recommended that basic education be given equitably to all disadvantaged group, regardless of gender, economic status, location or ability. Quantity, whether expressed as more schools, enrolments or graduation rates, does not automatically mean quality education. The qualitative problems of inadequate teacher training and curriculum and infrastructure resources remain grave in many countries and can even worsen as resources are spread too thinly. Wastage rates, dropouts, and repetition are still too high. In the follow-up conference held in Dakar, Senegal in April 2000, the vision of the World Declaration on Education for All was reaffirmed. However, while the Dakar Framework for Action concluded that significant progress towards EFA has occurred in many countries:

> It is unacceptable in the year 2000 that more than 130 million children have no access to primary education, 880 million adults are illiterate, gender discrimination continues to permeate education systems, and the quality of learning and the acquisition of human values and skills fall far short of the aspirations and needs of individuals and society . . . Without accelerated progress towards education for all, national and internationally agreed targets for poverty reduction will be missed, and inequalities between countries and within societies will widen.
>
> (World Education Forum, 2000, p. 1)

The current paradigm of education promised social mobility by arguing that individuals with talents and intelligence can scale the social pyramid through education. The realities in educational systems,

however, largely reinforce and perpetuate social inequalities. Governments and private agencies tend to be biased in their distribution of resources among different levels and types of education. The middle and upper classes have extra school and home resources which help their children achieve better within the context of existing philosophy, goals, curriculum, and pedagogy of modern educational institutions. The elite can afford more highly equipped and better-resourced schools. On the other hand, poor citizens are disadvantaged in so many ways: tuition fees, hidden costs, income foregone, and the need for their children to work before, during, and after school to help support themselves and their families. There are also other social groups often neglected by present educational structures, such as women, tribal communities, and ethnic groups (Carnoy, 1982; IBON Facts and Figures, 1998; Lauglo, 1996; Leach and Little, 1999; Welch, 2000). Despite its explicit focus on basic education for all, including the most vulnerable sectors, the EFA framework still reflects largely a modernization paradigm of education and development. There is little in the EFA report that calls for major structural transformation of unequal global, political, and economic systems within and across countries.

A large majority of college and university students and graduates in South countries are victims of curriculum irrelevance. Since learning is geared towards students' entry into successively higher levels of education, the curriculum becomes irrelevant to the basic development needs of their society. Present day formal school learning is divorced from the everyday realities of the children and their communities, except for the well-to-do for whom the fit between curriculum and family context is closer and mutually reinforcing. While modern schooling has enabled students to acquire skills and knowledge that are logically important for basic needs development (e.g., healthcare professionals, scientists, engineers, technologists, and teachers), ironically, many of these skills and knowledge-bases are inappropriate for the basic needs of the poor majorities (Bacchus, 1981; Lauglo, 1996; Simmons, 1980). One troubling aspect of the present crisis in education is the phenomenon of educated unemployment which leaves many educated citizens unable to find jobs commensurate with their qualifications. Thousands of educated young people in South countries either remain unemployed or move into positions which do not require so many years of education in skills and knowledge (Blaug, 1979; Dore, 1976; Little, 1984).

In the post-colonial context, educational systems have generally failed to fulfill the goal of education for active citizenship. Educated citizens should be able to critically reflect on political affairs, objectively

evaluate government policies and actions using the criterion of social responsibility, and promote accountability of government leaders and officials. But in practice, education for citizenship or civics usually promotes complacency or blind faith in the government's desire and ability to serve the people. Citizens are socialized to passively endorse state policies, believing that politicians are to be uncritically respected. This paradigm of political education is very functional to the elite of South societies who prefer submissive and acquiescent citizens submerged in a culture of silence, a fertile ground for repressive political rule and economic inequalities to flourish (Floresca-Cawagas, 1996; Freire, 1972; McLaren and Leonard, 1993).

North–South relationships influence significantly the educational development in South countries. Analysts like Arnove (1996), Lauglo (1996), and Samoff (1996), have deconstructed dominant ideas and practices in educational aid and exchanges that accentuate dependency of South systems on North-oriented perspectives and institutions, including the powerful global agencies such as the World Bank. Toh (1996) has also clarified how North-South partnerships in educational exchanges may still be contained within the modernization paradigm. While the practice of hierarchical North-imposed models of aid may have waned, today's form of partnerships has not systematically met the basic needs of the marginalized majorities in South societies. Nor has it addressed urgent imperatives of equity, human rights, and sustainability.

In recent decades, globalization has attained centre stage internationally and nationally, impacting on the lives of virtually all peoples and nations. The powerful forces and processes of globalization have multiple manifestations through political–economic, social and cultural structures and relationships (Mander and Goldsmith, 1996; Sklair, 1991). Under the dominant paradigm of top-down globalization, and the ideology of neoliberalism that prioritizes free market-driven development, the transnational corporations (TNCs) have come to 'rule the world' (Korten, 1995). Propelled by their sheer economic might, the TNCs dominate exploitation of the world's natural and human resources in a highly competitive 'race to the bottom' whether on the aspect of working conditions or the unsustainable use of planetary resources (Brecher and Costello, 1994). Under the regime of the World Trade Organization (WTO), the power and interest of the free market, TNCs, and local elites are boosted, while the International Monetary Fund (IMF), World Bank and other aid agencies provide funds, policies, and expertise to implement projects of modernization (Bello, 1999; Focus on the Global South, 2000). Under the IMF supervision, the poli-

cies of restructuring, liberalization, privatization, and export-oriented growth open up South economies for increased control by TNCs and North economies. The technological advances that fuel globalization have become powerful instruments of TNC and North dominance in South economies, from industrialization to agri-business (Barnet and Cavanagh, 1994; Shiva, 2000). In the cultural sphere, globalization of Western dominated media and entertainment industry has meant an increasing homogenization of cultures worldwide (Broad and Cavanagh, 1993). In sum, the so-called benefits of globalization have been very unevenly spread, with a few nations and only the elite sections of South societies deriving economic advantages. On the other hand, the majority of the world's poor and poorest peoples and nations has become even more marginalized in terms of accessing resources for meeting their basic needs and rights.

In the educational sector, globalization, not surprisingly, has affected substantively the quantity and quality of educational resources. As analysts have argued, globalization outcomes in the political economic sphere have had fallouts in the educational system (Toh and Pannu, 1996). These include increased drop-outs among the poor, especially vulnerable groups like women and indigenous people; lesser opportunities even for basic education; the pursuit of a technological vision of education stressing economic efficiency and commodification; and the socialization of people to become unbridled consumers of materialistic culture leading to an increasingly culturally homogenized world. Boron and Torres (1996) have shown how neoliberal restructuring of Latin American economies has accentuated poverty and inequalities via education. The increasing reliance of market mechanism in planning educational systems has led to less resources and access for the marginalized majorities. Likewise, as Samoff (1996) has analyzed, structural adjustment in Africa and the powerful role played by the World Bank and other North aid agency has deepened African dependency on educational thinking, research and policies that perpetuate societal inequalities. Furthermore, as a doubly oppressed group, women have also suffered more from the impact of economic liberalization and restructuring on educational access (Ghosh, 1996).

These problematic features facing educational development, especially in South contexts, are daily realities in the Philippines, as this paper seeks to illuminate. However, it is pertinent to first sketch the political, economic landscape of the Philippines before an analysis of contemporary Philippine educational realities and problems can occur.

The Philippines from modernization to globalization

In February 1986, the 'people-power EDSA (Epifanio de los Santos Avenue) revolution' deposed President Ferdinand Marcos and his corrupt dictatorial regime. This 'revolution' ushered in a liberal democratic governance under President Corazon Aquino. The euphoria of this non-violent mass uprising that brought down one of the longest dictatorship in a South nation has sometimes focused attention more on the 'politics' of regime change rather than on the political economy of the Marcos era. Yet, as many critical analysts within and outside the Philippines have argued, the transition from political authoritarianism towards the kind of liberal Western democracy that existed prior to martial law in the Philippines requires careful attention to deeply-rooted economic structures and relationships. The Aquino government, the Ramos government, and the current Estrada administration, which collectively span 14 post-Marcos years, have not been able to significantly improve the lives of the poor majorities in Philippine society. Hence, the abolition of a political dictatorship does not automatically lead to economic transformations favourable to the most vulnerable sectors, especially children, women, indigenous peoples, and the urban and rural poor.

As analysts like Bello, Kinley, and Elinsan (1982) as well as other commentators (Javate-De Dios, Daroy, and Kalaw-Tirol, 1988) have shown, the modernization of post-colonial Philippines took a trajectory familiar to most South countries, well before Marcos was toppled. Under World Bank/IMF tutelage, the Philippines embarked aggressively on a development based on rapid economic growth, albeit not always sustainable (see Table 1); export-oriented projects/programmes; an open-door policy to foreign investment (see Table 2); increasing foreign debt; rapid exploitation of natural resources; commercialization of agriculture (especially agri-business); and accelerated urbanization. Such free-market dominated modernization led to an increasing gap between rich and poor and a concomitant rise in human rights violations and acute social conflict, especially the growth of a Marxist–Maoist movement rooted in the National Democratic Front and the New Peoples Army. Under Marcos, technocrats, well-versed in modernization principles and practices and adherents to World Bank/IMF policies and framework of action, structured the Philippine economy to the advantage of local elites, the transnational corporations from the USA, Japan, Europe and other North countries. In the meantime, local elites monopolized land in the countryside and collaborated with foreign investors in

Table 1 GNP and GDP growth rates compared (in per cent)

Year	GNP	GDP
1991	0.4	−0.6
1992	1.3	0.3
1993	2.8	2.1
1994	5.3	4.4
1995	5.0	4.8
1996	7.2	5.8
1997	5.3	5.2
1998 (1st Q)	2.5	1.7
1998 (2nd Q)	0.6	0.2

Source: Diokno (1998), p. 9

Table 2 Number of TNCs and share of total profits (1996)

Industry	Number	Share (%)
Agriculture, fishery & forestry	5	48
Mining and quarrying	5	0
Manufacturing	558	46.5
Energy, gas & water	10	18.00
Construction	29	20.9
Wholesale & retail trade	63	13.3
Transportation, storage and communication	27	36
Finance, insurance, real estate & banking	98	8
Community & personal services	20	65.4

Source: *IBON Facts and Figures*, 1996. February 15–28, p. 5

export-oriented industrialization. The environment was ruthlessly exploited for rich mineral and forest wealth. Political cronyism fueled graft and corruption to massive levels.

The transition to post-Marcos administration did not effectively address these root causes of structural inequalities in the Philippine economy. President Aquino conveniently continued to implement the modernization paradigm of development. As Goodno (1991) lamented, Aquino's record reflected a series of broken promises. One of these broken promises was the Comprehensive Agrarian Reform Programme meant to bring equity for poor peasants through redistribution of land and related agrarian reforms (increased access to credit inputs and

improved infrastructure) for the landless. But as the Aquino and then Ramos policies unfolded, CARP contained too many loopholes such as conversion for industrialization, agri-business, and other commercial purposes (IBON Phillppines Databank and Research Center, 1998; Sermeno, 1994). As of June 1997, the Department of Agrarian Reform (DAR) has managed to transfer only 58 per cent of its target in nine years, while the Department of Environment and Natural Resources (DENR) redistributed only 48 per cent of its target (Maderazo, 1997). Rural poverty grows as peasants are pushed to the margins of existence.

Under Ramos, the so-called Philippine 2000 programme aimed to accelerate the Philippines' bid to catch up with its neighbouring Asian 'tigers' in attaining Newly Industrialized Country (NIC) status. Philippines 2000, as analysts noted, was eventually more of the same modernization paradigm: export-oriented growth; increased reliance on foreign debt; acceptance of IMF-led structural adjustment programme; deregulation, privatization, and liberalization as dictated by the neo-liberal agenda of globalization; and even closer integration into the capitalist global system, as shown by the Philippines' enthusiastic endorsement of APEC (IBON Facts and Figures, 1996). The Ramos government, after joining the WTO in 1995, approved laws to fast-track its commitment to WTO/World Bank/IMF agenda (e.g., RA 8178 abolishing import restrictions of certain agricultural products; RA 8180 deregulating oil and petroleum industry; RA 8181 lowering import tariffs at the expense of local manufacturers and products; accelerated dismantling of tariffs under the APEC agenda of liberalization) (Villegas, 1997).

The urban poor in the city slums and squatter areas find themselves ever more harassed by demolitions and displacements to make way for elite-controlled real estate and commercial projects like megamalls and tourist resorts (Diokno, 1998). In the meantime, despite an official commitment to the Agenda 21 project of the UN Rio Summit on environment and development, the Philippines' environment continues to deteriorate (Broad and Cavanaugh, 1993; Soriano, Claudio, and Fansler, 1995). Indigenous peoples are confronted with what they identify as 'development aggression' (TABAK, 1990). Thousands of children struggle to survive on the streets as families cannot earn enough for their basic needs, symptomatic of the impact of globalization on labour movements (IBON Facts and Figures, 2000). Thousands more Filipinos seek migrant or overseas contract work, including the large contingent of mostly female domestic workers who endure abusive and exploitative work conditions, especially in the Middle East, Hong Kong, and Singapore (Tujan, 1998a).

The East and South East financial crisis had a ripple impact on the Philippines. The Philippine peso was devalued, unemployment in the modern sector grew, and foreign investment slowed down. According to the National Anti-poverty Commission (NAPC), the income gap between the rich and the poor has widened by 30 per cent over 1995–8. The income of the country's richest ten per cent was 19 times higher than the poorest ten per cent in 1995, rising to 24 times by 1998 (Crisostomo, 1998). Of total family income of the whole country, the share of the poorest ten per cent of Filipinos was only two per cent, while the richest ten per cent was 40 per cent (Diokno, 1998).

The advent of the current administration headed by former actor President Joseph Erap Estrada initially brought hopes for the masses. President Estrada rode to power under a slogan of caring for the poor masses and at least a sector of the winning coalition included former activists from the underground movement. However, the record of Estrada's first two years' administration is not hopeful for pro-poor structural transformations. Agrarian reform continues to be stymied by powerful elite interests. The slashing of the national health budget has also led to a deterioration in health standards while privatization of public hospitals and liberalization of pharmaceutical products have deprived the poor of affordable health care (Lesaca, 2000). Homelessness and substandard housing remain a serious violation of the social rights of poor Filipinos (*Intersect*, 2000). Unemployment and underemployment continue to rise as shown in Table 3. President Estrada's

Table 3 Labour force indicators (number in thousands)

	Jan 98	Jan 99
Labour force	30,240	31,168
Employed persons	27,689	28,368
Employment rate	91.6%	91.0%
Wage and salary	13,452	13,888
Own-account	10,463	10,607
Unpaid family worker	3,774	3,873
Unemployed persons	2,551	2,800
Unemployment rate	8.4%	9.0%
Underemployed persons	5,986	6,269
Underemployment rate	21.6%	22.1%
Not in the labour force	16,272	16,550

Source: IBON Facts and Figures, 1999

decision to wage all-out war against the Muslim secessionist movement in Mindanao has also diverted hundreds of millions of scarce resources to militarization, and the inevitable post-conflict reconstruction (Diaz, 2000; Mercado, 2000; Reuters and AFP, 2000).

Estrada's economic policy makers continue to subscribe whole-heartedly to neoliberal prescriptions of globalization. New laws are being enacted, enabling foreign investments to have even more control over Philippine economic activities, especially in manufacturing, re-tailing, agri-business and mining (IBON, 1998; Stinus-Remonde and Vertucci, 1999). The Social Reform Agenda which the Ramos administration agreed to implement, based on active NGO and civil society collaboration, appears to be sidelined and diffused under the Estrada Government. Graft and corruption scandals continually erupt, which has been attributed in part to the return of 'cronyism' (Caluza, 2000; Doronila, 2000; Villanueva and Araneta, 2000). As IBON Foundation Databank and Research Center warns, the government's 'adherence to globalization thrusts has resulted in an economy dominated by local big business and transnational corporations. Globalization has also brought about widespread closure of local establishments due to the emerging cutthroat competition and the big players' quest for super-profits' (IBON Facts and Figures 1999, p. 1). Table 4 shows the number of establishments that have closed down and the number of retrenched or displaced workers only in the first quarter of 1999.

Table 4 Establishments resorting to permanent closure/retrenchment due to economic reasons and workers displaced by industry January to March 1999

Industry	Number	Displaced workers
Agriculture, fishery and forestry	20	386
Industry		
Mining and quarrying	213	7,039
Manufacturing	8	203
Electricity, gas and water	172	5,999
Construction	28	552
Services	382	5,803
Wholesale and retail trade	136	1,525
Transport, storage, communication	37	666
Finance, insurance, real estate	129	2,513
Community, social, personal services	80	1,099
Total	**615**	**13,228**

Source: Department of Labour and Employment (1999) (cited in *IBON Facts and Figures* December 1999)

Table 5   The economy in brief

	1998	**1999**
GDP growth rate (%)	1.1	1.2
GNP growth rate (%)	1.5	2.0
Exports (million US$), as of April	9,101	10,199
Imports (million US$), as of April	10,494	9,903
Balance of trade, as of January	−632	183
Balance of payments, as of January	(148)	881
Inflation rate (%), as of June	10.7	5.8

Source: Tujan, A. A. (1999) *The Real Estrada Administration Emerges. IBON Midyear 1999 Briefing*, pp. 22–30

The transition from 'modernization' to 'globalization' over the past three decades has been underpinned by a continuity in political economic policies and outcomes. The marginalized sectors of Filipino society continue to experience severe social and economic inequities, hardships, human rights violations, and the consequences of environmental destruction. As shown in Table 5, the economic growth rate is no more than 1.2 per cent, while exports barely kept up with imports. At the same time, a high inflation rate has meant increased hardships for the poor as prices of basic commodities rise while wages remain stagnant.

The impact of globalization on the flow of labour across countries to serve the new international division of labour has caused a huge outflow of Filipino migrant workers, of whom some 60 per cent are women in low-status, low-paying, high-risk and least-protected jobs. Pushed by worsening domestic impoverishment and unemployment, the Filipino workers respond to the pull factors of labour shortage in labour intensive industries and service sectors in North as well as NIC and oil-rich countries (Gonzales, 1998).

There are nearly 800,000 overseas contract workers (OCWs) in 1997 as shown in Table 6. In 1997, the total OCWs remittances of about US$5.7 billion kept the Philippine economy afloat (Tujan, 1999). It is not surprising then why the government strongly supports migration of Filipino labour.

Another serious burden on the backs of ordinary Filipinos is a huge foreign debt. As shown in Table 7, the Philippine debt has soared from US$2.2 billion in 1972 to US$45.4 billion in 1997 (Diokno, 1998). Of this debt, the Government owes nearly 60 per cent. This spiraling debt trap has also directed Philippine economic policy-making under

Table 6 Deployed Filipino OCWs 1995–7

	Land based	Sea based	Newly hired	Rehired*	Total
1995	488,621	165,401	219,018	269,603	654,022
1996	484,653	175,469	206,734	277,919	660,122
1997	559,227	188,469	222,139	337,088	747,696

Source: POEA (Philippine Overseas Employment Agency)
* land-based and sea-based OCWs

Table 7 Mounting foreign debt, 1972–7

1972	US$ 2.210 billion
1982	US$ 15.848 billion
1986	US$ 28.206 billion
1992	US$ 32.997 billion
1997	US$ 45.430 billion

Source: Diokno (1998) *The Philippine Situation*

IMF/Word Bank tutelage including a thrust to export-led industriali-zation, peso devaluation, lowering of tariffs, removing restrictions on imports and encouraging direct foreign investment which will also have free access to local credit and remittance of profits and fees. Annually, debt repayment takes up over half of the national budget with serious consequences for resourcing of basic needs sectors including education and health (Tujan, 1999).

This bleak picture of Philippines' political economy has not, however, led to hopelessness and despair among the Filipino people. Despite the structures of social and economic violence, there has even been a growth of civil society organizations and resistance since EDSA 1986. The end of the Marcos dictatorship opened up democratic spaces for NGOs, peoples' organizations and cause-oriented groups to grow and strengthen. Virtually all basic sectors are represented in civil society organizations – urban poor, rural poor peasants and fisherfolk, indige-nous peoples, women, coalitions of people-centred development NGOs, Freedom from Debt coalition, women's human rights movements, anti-APEC, anti-WTO, and anti-globalization coalitions. The National Peace Conference (NPC) seeks to catalyze social and economic transformation by articulating demands for alternative national and local policies that meet the needs of all the basic sectors. The NPC, together with other coalitions of NGOs and POs, have engaged in a process of critical dia-

logue with government leading to the establishment of the Social Reform Agenda (SRA) and the Social Reform Council (SRC). The SRC provides a venue where concerns of the poor and other marginalized sectors can be heard and included in official policy formulation. As the NGO representative on the SRC, Teresita Quintos-Deles (1996) argued, Philippine civil society supports a genuine equity-led growth strategy. The NPC and other peace advocates have also strongly advocated for the government to promote peacebuilding with various armed groups to end the armed conflicts on principles of justice, non-violence and human rights (Garcia and Hernandez, 1989). Similarly, the Foundation for Nationalist Studies (1991) has provided a Filipino vision of alternative development for reorganizing governance and bureaucracy that recognizes peoples power, participatory democracy, and public accountability; genuine industrialization relevant to and protective of natural and labour resources and balanced agricultural development that upholds the basic rights of the peasantry.

This expanding sector of critical voices in civil society clearly recognizes that political dismantling of dictatorships like Marcos is not sufficient to build a peaceful and just Philippines. Equally crucial are structural transformations in the way economic and social resources are produced and distributed. In this regard, the role of education for critical empowerment at all levels of Philippine society is clearly essential and urgent, as articulated later in this paper.

Crisis in education in the Philippine context

Although Spain ruled the Philippines for over 300 years and introduced Eurocentric church-dominated schooling to the colony from elementary to tertiary levels, the foundations and infrastructure of post-independence modern education were really shaped by the American colonizers (Foley, 1978; Ordonez, 1996). American educational theory, practice, institutions, programmes, and curricula were readily integrated into public and private schooling throughout the archipelago, especially in the urbanized centres and more modernized provinces. As nationalist intellectuals like Renato Constantino (1982) have argued, the powerful influence of American 'values' and ideological perspectives on modern Filipino education has shaped a colonial or more accurately, neo-colonial identity in which 'western' ideas and practices are deemed 'superior' to indigenous and nationalist understanding of the Filipino's past, present, and future. A hundred years ago, the famous Filipino revolutionary hero and martyr, Dr. Jose Rizal, had likewise criticized

Filipino social institutions and co-opted local elites for passively embracing the world-view of their Spanish rulers, including the Christian missionaries.

Under the governments of successive Filipino leaders, from independence (1946) through to the Marcos era, the Philippine educational system expanded to meet the demands of a rapidly growing, largely Catholic, population. The importance of modern schooling in the minds of Filipino citizens and leaders resulted in a comparatively high literacy rate when contrasted to other Asia Pacific Third World countries, as shown in Table 9 below.

Another significant difference between the Philippine context and other countries in the region lies in the substantive influence of the private sector (largely Catholic) in offering and managing educational opportunities. In 1999, for example, Table 8 shows that the number of private schools constituted 7.7 per cent in elementary, 41.2 per cent in secondary, and 83.4 per cent of higher educational institutions (Gonzalez, 1999).

A third area of contrast between the Philippines and South Asia–Pacific nations is on gender equity, in terms of access to schooling and consequently adult literacy. Filipino girls and women have certainly fared much better in educational opportunities and outcomes than their counterparts in many South countries in the region as demonstrated in Table 9.

A fourth area of difference lies in the significantly greater proportion

Table 8 Distribution of public and private schools by enrolment and number of schools School year 1998–9

	Enrolment	**Percentage**	**Schools**	**Percentage**
Elementary*				
Public	11,808,993	92.7	36,000	92.3
Private	923,075	7.3	3,000	7.7
Total	12,732,068	100.0	39,000	100.0
Secondary*				
Public	3,860,487	74.1	4,000	58.8
Private	1,345,834	25.9	2,800	41.2
Total	5,206,321	100.0	6,800	100.0
Tertiary**				
Public			233	16.6
Private			1,167	83.4
Total			1,400	100.0

Table 9 Education indicators for selected countries in the Asia Pacific region

Country	Adult literacy rate 1995		Primary school enrolment ratio		% of primary school entrants reaching G5 1990–5	Secondary enrolment ratio 1990–6	
	Male	**Female**	**Male**	**Female**		**Male**	**Female**
Cambodia	80×	53×	100	90	50	30	18
China	89	71	100	100	94	74	67
Fiji	94	89	99	100	87	64	65
India	64	35	–	–	59	59	39
Indonesia	90	78	99	95	89	52	44
Malaysia	89	79	91	92	99	58	66
Pakistan	54	24	–	–	48	33	17
Papua New Guinea	81	63	79×	67×	59	17	11
Philippines	94	94	100×	100×	70	71×	75×
Singapore	96	86	93	92	100	70	77
Sri Lanka	94	87	–	–	83	71	78
Thailand	96	92	–	–	88	38	37
Vietnam	95	88	–	–	–	44×	41×

Source: UNICEF (2000) *The State of the World's Children*

Notes: – Data not available

x indicates data that refer to year or period other than those specified in the column heading, differ from the standard definition, or refer to only part of a country

of Filipinos attending tertiary level education, with the exception of Singapore. While the gross enrolment ratio in tertiary institutions for the Philippines is 29 per cent (1995), the corresponding ratios are Indonesia, eleven per cent (1996), China, six per cent (1997), India, seven per cent (1996), Malaysia, twelve per cent (1995), Vietnam, seven per cent (1996), Pakistan, three per cent (1991), Sri Lanka, five per cent (1995), Cambodia, one per cent (1997), Bangladesh, four per cent (1990), and Singapore, 39 per cent (1996) (UNESCO, 1999). The higher participation rate in tertiary education in the Philippines needs to be read, however, in terms of a significant variation in quality between the so-called elite universities, including the premier state university, the University of the Philippines and the largely church or religious-run institutions such as Ateneo de Manila (Jesuits), De la Salle University (Christian Brothers), and some women religious colleges like Assumption College (Religious Order of the Assumption) and St. Scholastica's College (Order of St. Benedict), and a host of other private 'sectarian' colleges as well as profit-oriented institutions.

Despite these quantitative advances in the provision of education, there have been growing signs of a continuous deterioration in both quantity and quality of education. The Philippines has continuously deteriorated over the years in both the quality of education and the ability of the educational system to respond relevantly and realistically to social, economic, political, and cultural demands. While there have been some efforts both of governments and private sectors to arrest the crisis, nevertheless these efforts have been more palliative than transformative. Furthermore, these educational reforms have been formulated based on the modernization paradigm of development.

A useful starting point for critical analysis of the Philippine educational system is the Congressional Educational Commission undertaken in 1991. One of Aquino's first initiatives on assuming office was to launch a Congressional Commission to review and assess Philippine education (EDCOM). The study involved an analysis of major problems and a comprehensive long-range plan to improve the system. The report highlighted two principal reasons for the decline of Philippine education: inadequate investment in education especially when compared with the education budget of ASEAN neighbours (Thailand, 19.4 per cent; Malaysia, 16 per cent; Indonesia, 15 per cent; Philippines, 13.7 per cent) and poor management of the education bureaucracy. This analysis led to the formulation of a plan that covered three main areas. The first area addressed the financing of education, including tuition fees, government subsidies, tax incentives, and teachers' salaries. The second

area involved the academic content of the curriculum and highlighted the bilingual policy and the emphasis on science and technology. Finally, the third area referred to standards for quality education which recommended the abolition of the National College Entrance Examination and the creation of a unified examination for high school graduates (EDCOM, 1991). This plan, however, despite addressing some of the issues of social equity and economic relevance, reflected a narrow and functionalist understanding of education and its role in the development of a nation.

On the last days of the Ramos administration, the universal indicators of educational achievements appeared in official government reports. The Department of Education, Culture and Sports (DECS) report card boasted an increase in participation rate from 94 to 95 among elementary students and from 63 to 64 among high school students as shown in Table 10a. This means an increase in total enrolment figures from 16.79 million students in 1996 to 17.42 million in 1997 as reflected in Table 10b. To accommodate the increased enrolment, some 6,462 classrooms were constructed or rehabilitated and 7,000 additional teachers were fielded in to the elementary and secondary school levels. Finally, there was a marked improvement in the achievement level for the National Elementary Achievement Test from 78.46 per cent in 1996 to 79.22 per cent in 1997 (DECS, 1997).

In May 1995, a World Bank report on education highlighted the problems of rapid population growth, budget deficiency, DECS and school management, inefficient allocation of resources, and socio-economic factors that impact on students' participation and performance (World

Table 10a Performance indicators of government elementary/secondary schools (in per cent)

	Elementary		Secondary	
	SY 1997–8	**SY 1996–7**	**SY 1997–8**	**SY 1996–7**
Participation rate	95.09	94.33	64.04	63.38
Cohort-survival rate	68.61	67.96	71.37	73.45
Completion rate	67.36	66.74	68.70	71.30
Drop-out rate	7.42	8.01	10.76	9.82
Transition rate	96.05	95.27	100.68	102.18
Gross teacher pupil ratio	1 : 34	1 : 34	1 : 34	1 : 32

Source: DECS (1998)

Table 10b Basic education statistics

	Enrolment		No. of school	
	SY 1997–8	**SY 1996–7**	**SY 1997–8**	**SY 1996–7**
Elementary	12,233,565	11,847,794	38,631	37,665
Secondary	5,019,037	4,988,301	6,673	6,423
Tertiary	2,220,858*	2,017,972**	1,316*	1,286**
Total	18,608,644	19,422,430	52,321	53,289

Source: DECS (1998)   * SY 1996–7   ** SY 1995–6

Bank, 1995). These findings were also reflected in the government's reports on two projects intended to improve the delivery of education in the poorest provinces: the Third Elementary Education Project (TEEP) and the Secondary Education Project (SEDP II). Common problems detected in these projects included much lower participation and completion rates of students; an urgent need for new or working classrooms; textbook–student ratios ranging from 1 : 3 to 1 : 6; and the serious impact of poverty and malnutrition on students' attendance and drop-out (Barretto-Lapitan, 1997; DECS, 1995). The quality of education is also significantly affected by high teacher–student ratios (1 : 46), indicating a shortage of 10,000 teachers in 1997. There is also the additional problem of teachers teaching in subject areas in which they have not been prepared.

In responding to these problems of quantity and quality of education, the post-Marcos administrations under President Aquino and President Ramos obtained external funding (Asian Development Bank and World Bank) to implement reforms in both elementary and secondary education. The TEEP and SEDP targeted the poorest provinces to improve the delivery of educational programmes including building more classrooms, in-service training of teachers, school-feeding, teacher recruitment, and improved school management. Other DECS initiatives include, in elementary education: Multigrade Programmes in Philippine Education (MPPE) in which grade 1–3 and/or 4–6 are integrated in one class under one teacher; Early Childhood Development/Pre-school (ECD), which provides pre-school education to poor children and the integration of early childhood experiences in grade 1 during the first eight weeks; the Drop-out Intervention Programme (DIP), which aims to reduce drop-out rates and improve achievement level through multilevel materials and parent–teacher partnership; and the Community

Based Special Education Programme (CBSPED), an outreach programme for out of school children with special education needs (Bureau of Elementary Education, DECS, 1998).

In secondary education, DECS initiatives include the reproduction of Self Instructional Materials Programme (SIP), which aims to provide access and equal opportunities for students who miss classes; Government Assistance to Students and Teachers in Private Education (GASTPE) whereby government and private schools enter an educational service contract to fund students who cannot be accommodated in the public schools to attend private schools; Development of Teaching Enhancement Materials in core subject areas; Development of audio-visual materials for Social Studies, Arts, and Values Education; Science teaching improvement project using instructional equipment developed by the National Science Teaching Instrumentation Center (Bureau of Secondary Education, DECS, 1998).

A non-government agency, IBON Foundation, Philippines, specializing in the analysis of facts about Philippines' socio-economic, cultural, and political life, has presented its own critique of the Philippine educational system. Based on the very same data from the DECS, IBON pointed out that the completion rate for elementary and high school levels in the National Capital Region was 80 per cent and 67.21 per cent respectively. This meant that out of every ten students who entered grade 1, only eight managed to finish grade 6, and out of the latter, only five actually managed to finish high school (IBON Facts and Figures, 1998). Enrolment figures therefore do not give an accurate picture of educational opportunities for citizens. IBON strongly challenged the Philippine government for its neglect as reflected in the decrease in the government's budget for education. This neglect has resulted in a lesser number of students actually completing elementary school, despite high enrolment or participation rate. IBON further claimed that the problem is not merely government neglect but a more basic issue concerning the purpose or orientation of education which challenges the egalitarian illusion. In the government's Master Plan for Basic Education, 1996–2005 (DECS, 1995), a reduction of State support for basic education is explicitly stated thus:

> Efforts at tapping alternative financing schemes for education shall be continued. Local government financing shall augment and gradually replace national government financing for selected educational expenditures. Nontraditional private sector sources shall be harnessed and expanded.
>
> (DECS, 1995, p. 18)

This government policy has prompted schools to lease school property to business establishments and enter into subcontracting arrangements with local business and transnational corporations. Education and business partnerships oftentimes dilute the educational mission of learning institutions. Ironically, Philippine education, according to the IBON Facts and Figures report (1988, 1998), has managed to exacerbate inequity rather than provide the equalizing factor.

In 1991, the Commission on Religious Concerns of the Catholic Bishops Conference of the Philippines (CBCP) prepared a working paper to review Philippine education in general and Catholic education in particular. The review would serve as a discussion point in the Second Plenary Council of the Catholic Church of the Philippines. (A Plenary Council is of the nature of a Vatican Council, only of a local application.) Using the results of that review (Floresca-Cawagas, 1990), revised in the light of the findings and final recommendations of the EDCOM (1992), the annual reports of the DECS (1993–7), NEDA policy, documents from the IBON Education for Development (1996, 1998), and interviews with teachers and officials from public and private institutions, we now propose to look at Philippine education and how it has responded to the forces of globalization.

Education and social equity

Despite DECS' successive attempts to allocate a higher budget for educational service, budget distribution remains unequal, much to the disadvantage of the lower income groups. The fact that most leading schools are situated in Metro Manila, the country's metropolis, is illustrative of the regressive aspect of educational services. There are more schools in urban areas than in the countryside where more than 70 per cent of the population reside. This maldistribution is not a new phenomenon, indeed it has been reiterated by numerous studies conducted on the educational system (SEDP, 1996; EDCOM, 1992; PRODED, 1990; Bureau of Elementary Education, 1976, 1986; PCSPE, 1970). This imbalance is exacerbated by the disparity in the delivery system and consequently the quality of education between the urban and rural schools, and between public and private schools. The disparities in literacy, participation, completion, are well documented. They vary widely across and within regions, types of school, urban and rural residence, and family income classes. While performance indicators in the national level may have grown, inequalities in certain dimensions have widened (Jose, 1988). The Center for Research and Communication (CRC) report (1985) states:

> The formal educational system is structured to favor only those who can afford it. It is beyond the income capabilities of the urban and rural poor. Already illiterate, dysfunctional, and unskilled, the poor are hardly able to break their poverty cycle. Poverty drives children away from school as the need to augment family income becomes a priority.
>
> (CRC, 1985, p. 20)

The rate of attendance and the corresponding drop-out rate are also indicative of the unequal distribution of public educational services among different income groups and among those who live in the urban and rural areas. The attendance rate for all income families nationwide is almost perfect for 7–10 year-olds, but is reduced to 86 per cent for the rural poor as they reach the age of 11–12. The disparity continues to widen as children reach the age of 15–16 where only 66 per cent of urban and 42 per cent of rural dwellers belonging to the lowest 30 per cent of income earners are able to continue their schooling, while for the upper 30 per cent income earners, 86 per cent urban and 70 per cent rural are still able to do so (SEAMEO INNOTECH, 1991). As the World Bank (1995) study indicated, students from poor families drop out because of the parents inability to meet hidden costs of education (e.g., uniforms, daily allowance, pen, paper, supplies), the students need to work to supplement the families' basic income, the students' poor health and a lack of family aspirations about the value of education. Clearly, even though no fees have been imposed on public basic schooling, the poor still have to bear the burden of hidden and indirect costs. The face of globalization is also reflected in the increase in tuition fees in private schools and even in state universities and colleges, the main institutions that the poor can access because of the subsidized fees. In the analysis of some student leaders interviewed, there is a clear link between globalization policies of liberalization and restructuring that exert pressures on school owners and managers to continually raise school fees and other costs. In recent years, the number of drop-outs has been rising: three elementary students out of ten and five high school students out of ten. Out of a hundred, DECS records show that only 67 will graduate from grade 6 (Barretto-Lapitan, 1997, p. 9). The high percentage of drop-outs at all levels is evidently more marked in the rural areas where 70 per cent of the population live and where the incidence of poverty is higher as shown in Table 11.

The drop-out problem has been brought about by educational as well as economic and socio-political factors such as poor health due to nutri-

Table 11 Poverty incidence: 1997/p (amounts in 1988 pesos)

Region	Annual per capita Poverty threshold	Poverty incidence (%)
Philippines	11,388	32.1
National Capital Region	14,360	7.1
Outside NCR	10,898	36.2

Source: National Statistical Coordination Board (NSCB)

tional deficiency, inability of parents to supply the necessary clothing, materials, and textbooks, and the necessity for children to help their parents earn a living (Barzaga and Imperial, 1989).

According to the National Census and Statistics Office (NCSO, 1989), 70 per cent of the 3.1 million illiterates in the 15–54 age group are in the rural areas while 30 per cent are in the urban communities. Most of the urban illiterates are in the squatter areas. A DECS study on the literacy situation in the Philippines revealed that there are over 2.5 million illiterates in the 15-year old age group alone (IBON Facts and Figures, 1988).

While the churches (Catholic and Protestants) and other private groups continue to operate their schools, the issues of democratization in education and access to higher education are not resolved by these academically excellent institutions who serve mostly the middle class and upper middle class sector of the community. In the elitist Catholic institutions which depend on tuition fees for almost all of their income, the problem of equity has been partially met by scholarship programmes. Ateneo de Manila University, a Jesuit-owned institution claims that 20 per cent of its population is on scholarship while De La Salle University, a Christian Brother-owned institution claims 10 per cent (Floresca-Cawagas, 1990). Some religious groups manage two kinds of institutions, one for high paying tuition and another for lower or non-tuition (Don Bosco, Assumption, St. Paul). The Government's Assistance to Students and Teachers in Private Education (GASTPE) programme also gives service contract funds to private schools to accommodate poor students who could no longer be taken in by private schools. However, the budget of 759 million for 1999 remains inadequate (Rivera, 2000).

Furthermore, in spite of goodwill and good intention, the problem of equity has not really been solved. Survival rates of students from lower income families on scholarships are quite low because of the cultural disadvantages students from this income group suffer. There are social and political problems among economically disadvantaged students

who are on scholarships in academically excellent institutions: the poor student's discomfort at rubbing elbows each day with economically advantaged peers; the social pressures this gives rise to; the pressure of keeping up in social activities outside of class; the perception or feeling of being looked down upon or at best condescendingly; and the relatively limited job opportunities afterwards (even with a good education) because of one's social class. Hence, the EDCOM recommendation of providing government support for priority courses and programme to poor but deserving students will hardly make a dent in the solid wall separating the 'excellent' education of the rich and the 'mediocre' education of the masses.

A study conducted by Gonzalez and Sibayan (1988) showed that the 'good' schools, which are usually owned and managed by churches, dioceses, or religious congregations, are also schools for the rich, and the 'poor' schools are for the most part, schools for the poor. In Philippine society, schools are better when they are economically better off, with good libraries, facilities, and better teachers. On the other hand, the 'poor' schools have poor facilities, poor teachers, and students with poor academic performance. The language issue in the educational system (knowing Filipino and English well, obviously the result of an 'excellent' education) aggravates the heightening social stratification. It has been shown that education perpetuates social stratification and the resultant language competence or incompetence in Filipino and English reinforces this stratification. Moreover, when Filipino becomes institutionalized as the national language as recommended by the EDCOM, the rich diversity of many languages in the Philippines will vanish because the other languages would have atrophied through disuse except in colloquial conversations in the homes. Hence the EDCOM recommendation of using the vernacular only up to grade 3 and resorting to Filipino as the only medium of instruction needs rethinking. The concept of nationalism which underpins the move for a national language could very well be genuinely accommodated in a multilingual nation.

Economic relevance of Philippine education

The Philippine school system has been criticized for being wasteful and ineffective, a fact accurately acknowledged in the EDCOM report. From the first national survey of education to the present, the academic achievement of students has always been shown to fall below set standards. The Survey of Outcomes of Elementary Education (SOUTELE) found that on the average, the graduates of elementary schools across

the nation can only answer 50 per cent of the items correctly. If one is to use the standard passing mark of 78 per cent for the test, then the average elementary graduate has learned only two thirds of what he or she should have learned (EDPITAF, 1976).

Colleges and universities in the Philippines continue to register an extremely disproportionate enrolment distribution in the different disciplines. In 1968–9, teacher training, business and commerce, law, arts and humanities accounted for about 80 per cent of the total tertiary level enrolment. In 1980–81 three degree programmes, namely; business and commerce, engineering and technology, medicine and related fields absorbed 66.7 per cent of the total enrolment at this educational level. There is a decline of enrolment in teacher education while the physical sciences and life sciences continue to be the least attractive notwithstanding the availability of government scholarships in these areas (IBON Facts and Figures, 1988). The latest data released by the Commission on Higher Education (CHED, 1999) illustrate the same trend, with a slight improvement in the enrolment in Teacher Education (see Table 12).

Official reports from the United States Office of Immigration and Naturalization revealed that Filipino professional and technical workers immigrating to the USA increased from 0.95 per cent in 1965 to 19.69 per cent in 1970, a span of only five years (IBON Facts and Figures, 1988). More recent statistics show there are 6.4 million overseas Filipinos, 1.88 million of which are permanent residents (CFO, 2000).

Table 12   Tertiary enrolment by field of study

Field of study	1995	1996
Arts & sciences	213,211	226,111
Teacher education	232,589	276,046
Engineering & technology	254,889	275,695
Medical & health	273,338	238,988
Commerce	552,511	603,575
Agriculture	62,250	72,656
Law	14,682	13,983
Religion	7,570	8,262
Information technology	91,829	117,799
Maritime education	131,361	137,584
Criminology	37,017	47,273
Total	1,871,647	2,017,972

Source: CHED – OPRI – Information and Publication Division

The 'brain and skill' drain in the Philippines has been massive, generating serious concern among policy makers (Carino, 1994). While the Philippines is producing college graduates who cannot be absorbed by its economy, a close examination of those who emigrate show them to be in professions that account for the smallest proportion of graduates in the country, such as graduates in the physical sciences, medicine and allied fields. Moreover, there is a disparity in the annual supply of college graduates and the demand for such graduates in the domestic labour market. There is a low utilization rate of college-educated human power, giving rise to the phenomenon of educated unemployed. (Arcelo and Sanyal, 1987). Even the former Director of the National Economic Development Authority (NEDA), Cayetano Paderanga, (1994) acknowledged that this phenomenon is only a manifestation of a deep-seated flaw in the country's policies and pattern of development.

Compared to other major fields of study, enrolment in vocational schools remains low because of the popular belief that vocational education provides only a second-best chance to attend college. There is a mismatch of the outputs of technical–vocational schools and the technical–human power requirements of the economy. Earlier, the Center for Research and Communication report on the Philippines at the Crossroads (1985) deplored the lack of national and government support and recognition of the value of non-formal education (NFE). In quantitative terms, this government indifference is glaring as verified by the following government expenditure per student cost: P392 in public elementary, P1,037 in national secondary, P123 in locally-funded high school, P5,636 in tertiary education, and P14 in non-formal education. While acknowledging the 1987 Constitution's recognition of the importance of non-formal education, and the multiple governmental initiatives (e.g., literacy education, livelihood skills, certification/equivalency programmes, continuing professional education, and university distance education), Gonzalez and Pijano (1997) pointed to the failure of the full potential of NFE to enrich the overall educational system.

We need to acknowledge that the diploma disease has evolved from colleges and universities with academic programmes, primarily western-based or Western-oriented, oftentimes totally inappropriate to the prevailing economic and social conditions of rural and urban communities. Furthermore, as research in parallel South contexts has indicated, the diploma disease is reinforced by wider structural disincentives like relatively low rewards for appropriate skills or unrealistic wage rates incommensurate to the educational qualifications required (Bacchus, 1988; Oxenham, 1984).

The Task Force on Higher Education Report (1995) confirmed an over-

supply of college graduates with an unemployment rate of 19.9 per cent among engineers, 16.5 per cent among natural sciences graduates, 11.1 per cent among social sciences graduates, and 9.4 per cent among teachers. The Report also claimed that a significant proportion of the college educated are employed in jobs for which they are overqualified (e.g., majority of clerical and sales workers are college graduates). These data showing educated unemployment or underemployment pose a significant contradiction to the increasing call of policy makers to schools to produce scientific and technological expertise that is required for competitive globalization. As the Commission on Higher Education's 1996–2005 Long Term Development Plan stressed:

> Striving for world competitiveness is a major strategy to attain people empowerment. This strategy empowers the people by broadening the base of development through its large labour/manpower resource. One of the vital dimensions of people empowerment is the ability to compete in both domestic and international market which arises from competitiveness in terms of quality graduates produced by the higher education institutions.
>
> (CHED, 1995, p. 2)

Higher education would be harnessed in this ambitious plan to help the Philippines achieve its vision of becoming, by 2015, a fully 'industrialized country. . . . As a legitimate competitor and leader in commerce, industry, agriculture, trade, and services' (ibid, p. 3). Specific objectives articulated in this ten-year plan include:

> 1. Encourage HEIs to improve or enrich higher education curricula and undertake educational innovation or reforms to cope with emerging needs and demands of a newly industrializing country; . . . 3. Provide attractive incentive for students to pursue scientific engineering, and technology programmes and other programmes related to the strategic needs of the country.
>
> (ibid, p. 7)

This push towards matching Philippine higher education goals and programmes with the demands of competitive globalization deserves critical questioning. Will Filipinos in poor marginalized sectors benefit from this orientation of higher educational resources that serve largely the needs of transnational economic forces and the domestic elite? How can the relevance of higher education to meet urgent social and economic problems of survival of the poor majorities be promoted?

In the 1990s, the forces of globalization, including deregulation, privatization and liberalization have also impacted on higher education in the Philippines. Foreign investors can now operate private schools, eschewing certain areas of studies and offering ones that lead towards perceived individual success and mobility (e.g., information technology). Deregulation has also resulted in significant and continual increase in tuition fees with serious consequences for equitable access. Faced with economic recession, the poor are even less able to achieve or maintain enrolment, especially in the private sector.

In the Philippines' educational context, learning is measured by setting a series of examination hurdles which determines who gets into the more financially rewarding jobs. Because of this examination syndrome and the diploma disease, there is now a continuous inflation of academic qualification requiring more and more years of formal schooling to get into the same kind of employment. So today, one has to have a minimum college diploma to sell shoes in a departmental chain store, or be a janitor in the bank, or peddle consumer items for transnational corporations, or file documents in the bureaucracy. A Fund for Assistance to Private Education (FAPE) brief on policy issues in Philippine education acknowledged that despite higher enrolment in tertiary levels, education was not correlated to economic productivity (FAPE, 1991).

The educational system has also been shown to alienate people from their original rural contexts because colleges and universities do not educate people to go back to their communities. Schools have been mostly concerned with training people to seek jobs in a formal labour market, instead of enhancing the agricultural frontiers by providing relevant education for rural livelihood. Hence, the exodus of young people from their hometowns to the crowded metropolis is dictated by the expectations of parents and society in general to secure lucrative jobs as a result of their higher education. The level of frustration of both graduates and parents and the potential for social tensions is likely to increase as one looks at the thousands of new graduates joining the ranks of the educated unemployed each year.

Worldwide, the force of globalization in education has also been manifested in a strong faith in Information Technology (IT). Educational systems would train the required human capital in the knowledge and skills of IT that is so vital to the operation of the globalized economy. This faith is no less strong in the Philippines, as both political and business leaders and educational officials increasingly demand schools and teachers to integrate IT into curricula and programmes (Huenda, 2000).

Secretary of Education Bro. Andrew Gonzalez has continually stressed the priority of IT in educational spending (Rimando, 2000). This push for an IT model of schooling and education fails to acknowledge that a 'wired' world in a context of wide disparities between rich and poor does not necessarily bring benefits to all citizens. Rather, the unequal access to IT will only widen those disparities (Mander and Goldsmith, 1996). When so many children and youth in the Philippines still lack access to basic educational needs, the diversion of educational funds to computerizing a limited number of schools will reduce the quality and quantity of basic education for the poor majority.

Education's contribution to people's development

Because of the over-abstract and over-academic curriculum, schools have not necessarily produced educated citizens with the values of self-reliance and commitment to social causes. Nor have schools graduated creative students who are challenged to apply abstract knowledge in solving concrete development problems. The present DECS values education programme is too abstract, unclear about ethical and moral grounding, and replete with modernization concepts of development which may lead to further maldevelopment and even cultural alienation (Floresca-Cawagas, 1991).

The knowledge, skills, and values developed through education in Philippine schools have not contributed much to meeting the basic needs of all people in society. Some institutions have responded to pressures of particular industries but not necessarily to the nation as a whole. For example, graduates in business courses can be most relevant to the private sector, but in most business schools, they are not socialized to infuse their practices with social responsibility and ethics. Graduates across all fields have not been oriented towards environmental care or the cultural integrity of tribal Filipinos. Nor have they learned to moderate profit motivations and help build a sustainable healthy environment for all Filipinos. Not too many graduates in the medical and health professions are concerned about healthcare principles and practices which meet the basic needs of the poor. Some courses are even specifically designed to meet the requirements of foreign hospitals and institutions. Scientists and engineers are trained to develop technologies which can be over-capital intensive and inappropriate for the needs of the South societies.

Under the current educational paradigm, although individual teachers can be creative, the dominant logic of curriculum and pedagogy is, in Freirean terms, 'banking'. The teacher is the 'expert' in this model of

teaching and learning, pouring 'knowledge' into the students who passively receive and are later expected to regurgitate that knowledge in tests and examinations. Teacher–student relationships are vertical and hierarchical, as are administrator–teacher and bureaucrat–teacher relationships. This banking model of learning has produced graduates who lack the capacity and practice of critical thinking, but are very useful in maintaining the social and political status quo. Sadly they are not very useful for transforming society.

A sizable section of the EDCOM report is devoted to the plight of Filipino teachers. After acknowledging the teachers' far-reaching influence as agents of constructive change in society, the report recommends the following reforms: first, professionalize teachers and teaching; secondly, create career service paths for promotion and career planning; thirdly, strengthen pre-service teacher education. This appreciation of the real worth of teachers in the overall educative function of formal schooling is one of the more progressive aspects of the EDCOM report. There is considerable goodwill in the desire to raise teachers' salaries and provide them with better benefits so that even the sources of funding are identified in this report (e.g., Philippine Amusement and Games Corporation, in short, casino, travel tax, real property tax, vehicle registration). Nevertheless, though adding to the moral argument against using casino money to support education, the identified sources are really part of a regressive tax system. Hence, the dilemma of locating sources for additional expenses has geared the country's economic development to the modernization paradigm where the welfare of the marginalized, like the teachers, gets low priority in the scheme of values. Providing a more systematic and critical analysis of the condition of teachers, *IBON Facts and Figures* (2000) has shown that a majority of teachers still take home net daily salaries below poverty line. In 1999, under IMF advice, the Estrada administration scrapped the amelioration pay for civil servants but after protests, restored a ten per cent increase. Many teachers have been forced to engage in tutoring, selling farm crops, and small business activities to supplement their inadequate incomes. Some 450,000 public school teachers now owe private money lenders ten billion pesos (U.S.$250) with onerous interest rates from 36 to 108 per cent. Though Government has recently implemented some low-interest loan schemes, many teachers will continue to remain heavily indebted (Orejas, 2000).

The fallout from the globalization crisis and educational and social spending has also meant a shortage of classrooms and teachers leading to intensified working conditions in overcrowded classrooms and longer

working hours (*IBON Facts and Figures*, 2000). Data compiled by the House Minority Leader in the Philippine Congress show that the DECS budget for 2001 will mean a shortage of 37,249 classrooms, 45,080 teachers, and 22.3 million textbooks (Cadacio, 2000). The construction of 200 new schoolrooms under the World Bank sponsored Third Elementary Education Project (TEEP), will provide minimal albeit welcome relief in the poorest provinces (Atencio, 2000). In the current phase of intensified globalization that the Philippines and many South nations are experiencing, the educational sector is one of the social sectors seriously affected by neoliberal and structural adjustment policies (Pannu, 1996; Tujan, 1998b).

It is also difficult to imagine how the teachers and the teaching profession can be 'professionalized' under conditions where the state attitude to teacher empowerment is negative. This negative attitude has been starkly demonstrated during the Aquino administration in the two-year teachers' strike which led unfortunately and unnecessarily to a hunger strike of a group of teachers. The major support group for the striking teachers, the Alliance for Concerned Teachers (ACT), has been engaged in a longstanding struggle for the empowerment and promotion of human rights of teachers (Interview with ACT leaders, 1987–1999). ACT however, has not been generally welcomed by authorities in the private institutions, including church-run schools, as it has been perceived as a vehicle for radical unionizing as well as 'leftist' political ideology. Despite the appeal of then Senator Angara and Congressman Padilla, co-chair of the EDCOM, to the government to resolve the teachers' strike, the struggle persisted for years because of government's position that public school teachers have no legal right to go on strike. The Aquino government stance has been strengthened by the attitude of a majority of the teachers and middle level administrators (e.g., principals and superintendents) in the education bureaucracy, who have long been cowed into subservience and docility through years of autocratic leadership. While the EDCOM recommendation is a timely and sincere acknowledgement of needed reforms, the operational details of minimum qualifications, professional regulatory commission, career path, and so on need to be complemented with a new world view of participation, democratic leadership, justice, and equity in a reconstructed education bureaucracy.

Upon closer examination of the detailed EDCOM recommendations, the prospect of a significant change in teacher education curriculum appears dim. While there is mention of strengthening the curriculum, the emphasis remains on the improvement of teachers' skills and com-

petencies which ignores other equally important dimensions in teacher education like values, attitudes, personal motivations, and social orientation. Moreover, the task of curriculum improvement is assigned to curriculum developers in the Bureau of Higher Education, now replaced, in form, by the Commission on Higher Education (CHED) and the Philippine Association for Teacher Education (PAFTE). These are the same institutions that have, through the years, packaged and repackaged curriculum designs for teacher education. These are the same experts who decide what is legitimate knowledge and values that is to be handed down to students. Under this condition, a significant change in philosophy, orientation, perspective, goal, and consequently, content and pedagogy in the current curriculum is doubtful. Added to the issue of paradigm shift among bureaucrats, the question arises as to how much participation faculties in the different teachers' colleges have in any curricular reform. What about the local communities themselves? How much importance is given to their views of what constitutes a reformed or transformed curriculum? What about the indigenous communities whose cultural knowledge, values, and practices have been systematically depreciated by past and current curricula? Will their voices be heard in the grand plan for educational reforms?

Raising these questions does not imply, however, that the Philippine educational system is devoid of concern for the social and cultural bases of education. As part of the Aquino transition from Marcos authoritarianism, curricular reforms included human rights education at all levels and a focus on values education. The DECS promoted the concept of integrating Filipino and other universal values such as cooperation, sharing, love, justice, honesty, respect, tolerance into all curriculum areas as well as extra-curricular dimensions of school life (Sutaria, 1986). A number of often church-based and professional educators' agencies likewise formulated parallel models of values education (Floresca-Cawagas, 1989).

Such programmes in values education were underpinned by a common assumption that teachers could shape students' moral and ethical consciousness towards becoming good or virtuous individual human beings and citizens. Subsequently, this new generation of adults will be disposed to building a peaceful, just, and caring Philippine society.

However, as analysts like Floresca-Cawagas (1991) have argued, these dominant values education framework or models have serious limitations. These limitations include an over-abstract orientation to values which are not grounded in the structural realities of Filipino life and society. The models also leave unquestioned the dominant moderniza-

tion paradigm of development, and fail to raise critical questions about the benefits of globalization. Furthermore, as often taught, values education is reduced to a mechanical values clarification model, without the processes of critical empowerment that challenge learners and teachers to transform the social, economic, political, and cultural status quo. Finally, values education in the formal institutions is often reduced to teaching good manners and right conduct.

In the field of human rights, it is to the Aquino administration's credit that one of the first educational edicts, after the EDSA revolution, was to try and integrate human rights concepts into school curricula. Implementation of the guidelines, however, has not been as systematic and effective as envisaged. Teaching guidelines and materials have been written more through the efforts of human rights NGOs, like the Diokno Foundation, founded by one of the country's leading human rights campaigner, the late Senator Jose Diokno, and also Amnesty International (1994). The inclusion of human rights ideas in formal curriculum will not necessarily lead to a flowering of human rights education unless the teaching body is well prepared and adequate curriculum resources are available.

Conclusion

The Philippine constitution contains a whole section on social justice which mandates that highest priority be given to the protection and enhancement of the right of all Filipinos to human dignity; to reduce social, economic, and political inequalities and remove cultural inequalities by equitably diffusing wealth and political power for the common good. (Philippines Republic, 1987). While we acknowledge the role of education in our efforts towards transformation, we also need to be very clear about the relationship between economic wealth, political power, and social control. Hence, even as we look at curricular programmes in teacher education or medical education, we cannot afford to lose sight of the wider arena of economic, social, and political forces where these programmes will have to operate. According to IBON Facts and Figures editor Tujan (1998b), education has fallen victim to rising global debt, budget cuts, and privatization. Commercialization has propelled a shift to globalized education. It is therefore crucial to face the challenge with a transformative education.

If schools wish to reduce the role of education in perpetuating social inequalities, they need to increase the opportunities of poorer classes and groups not only to attend school but also to succeed. While con-

tinuing to offer scholarships and other forms of support, programmes for eventual self-financing for poor students can be initiated. This approach will help enhance the students' self respect and self-confidence and take them out of a dependency situation. Within schools, the administration should reassess their tracking practices in order not to concentrate students from poorer communities into 'inferior' classes, or lower-status and terminal programmes.

A major redistribution of educational resources to poorer urban and rural communities is essential (e.g., buildings, classroom facilities, instructional materials, adequately trained teachers). Budget allocation (in both public and private schools) need to consider the greater need of poorer communities so that better facilities and educational resources can also be made accessible to them.

In this regard, UNICEF has reported favourably on the Philippine Government's commitment to UNICEF's initiated child-friendly schools. Articulated in the wake of the Education for All Conference in Jomtien in 1990, the 'child-friendly school movement is driven by the challenge of enrolling all children in primary school, matched by that of keeping them there. Improving the quality of education is crucial if the relentless economic, social, and cultural pressures to dropout are to be resisted' (UNICEF, 2000, p. 47).

In 1999, UNICEF collaborated with the Philippine Government to launch the child-friendly school initiative, starting with 24 multigrade model schools in 12 provinces and expanding quickly to 120 schools in 20 provinces and five cities. It will be interesting to see the long-term outcomes of such child-friendly schools and most importantly, the level of resources that will be provided to generalize them throughout the country amidst the constraints of the wider economic system and contradictions.

While it is essential for colleges and universities to maintain and strengthen their research capabilities and functions, higher institutions need to reorganize their higher education programmes to de-emphasize over-academic credentials. Colleges and universities can help reduce the 'diploma disease' by de-emphasizing examinations as the primary form of teaching–learning processes and outcomes. This learning theory has given rise to many contradictions in the education community, such as, competitiveness, individualism, penchant for symbolic honours, and materialism. More creative and critical modes of teaching and learning should replace the 'banking' method which regrettably still describes most higher education teaching. Sadly this method is then carried over by students when it is their turn to become teachers and professors.

Hence, unless creative, participatory, and critical modes of teaching infuse Philippine schools, the quality of learning cannot become better than what it is now.

Schools should offer flexible and relevant curricula which can provide graduates with basic skills, values, and attitudes for people-oriented development. The curricula need to provide a theory–practice balance where students are socialized into putting their knowledge to help fulfil community needs and resolve problems and not merely become an efficient biology teacher, a skilled construction engineer, or a successful business person. As nationalist educator Leticia Constantino (1982) and others (Tujan, 1998b) argue, Philippine schools should now overcome their intellectual dependency on Western models and be more critical of the assumptions and strategies of imported educational modernization. It is therefore important for schools, colleges, and universities to establish more organic linkages with the marginalized communities and not confine themselves to the more privileged sectors or groups in their community. More indigenous or local talents and resources should be considered, involved, and integrated in the construction of the curriculum and the reformulation of educational goals and processes. More South–South exchanges should be encouraged rather than always having a North expert or consultant to review, revise, improve, or transform programmes. Where Philippine institutions and North partnerships are promoted, the partnerships should stress more collaboration, collegiality, and mutual learning of wisdoms (Arnove, 1996; Toh, 1996; Welch, 2000).

The curriculum for any degree or programme, whether formal or non-formal, should increase the economic relevance of education to all classes of citizens in a country. For the poor, education should not be an illusory quest for social mobility but rather should serve them in their struggle for survival and enable them to live with dignity. For the rich, education should not be just an assurance of their privileged socio-economic reserve but also an inspiration to them to continue their skills in where they are more urgently needed. For example, medical graduates should be genuinely concerned with the health needs of the poor; agricultural economists should be willing to design rural policies that benefit the poor peasantry; university professors should not continue to build academic ivory towers; and business/industrial economists should be able to critically argue for genuine long-term development against profit-maximization and short-term benefits of ecologically unsound modernization (Toh and Floresca-Cawagas, 1992).

Institutions should take a more committed role in advancing non-

formal education which is consistent with a more participatory educational structure. However, non-formal education should not be seen as suitable only for poor people or those who fail in the formal academic training. This attitude would only reinforce educational elitism and social inequities by bracketing the poor majorities to lower-status vocational fields. Rather, non-formal education should be approached as a parallel stream, part of a continuum of learning experiences for development (Barzaga and Imperial, 1989). To follow this through, vocational/technical schools, colleges, universities and industries need to work out innovative and alternative methods of job selection, which do not rely excessively on academic credentials but rather on appropriate skills training and competencies.

The education bureaucracy as well as the individual schools should become training environments for the active and courageous exercise of people power and non-violent resistance against exploitative and abusive relationships and structures. To do this, education leaders and bureaucrats, along with school officials and administrators, need to look at their own governance systems and learn to practise true community life *vis-à-vis* relationships with the teacher, staff, students, and parents. Classrooms should constantly encourage democratic participation in teaching, learning, and other socialization processes. In this regard, the church systems (Catholic, Protestant, Islam, INK, etc.) can provide some leadership in the transformation process, not only through their own school systems but also in the wider societies, given their current and more explicit vision of justice and preferential option for the poor. NGOs like IBON Foundation have patiently developed partnerships in education for development (IPED Programme) by providing teachers with teaching resources, social issues comics for elementary students, current news, facts and figures for high school students, and textbook/curriculum materials in economics, environment, and history (*IBON Facts and Figures*, 1996).

In this regard, it is pertinent to reflect briefly on our collaboration with Filipino colleagues over the past fifteen years in one highly marginalized region, the southern island of Mindanao. Mindanao faces extreme problems of class-based inequalities, TNC-dominated modernization, and militarized conflicts. But it is also the centre of inter-ethnic/intercultural conflict over the Moro/Muslim struggles for autonomy that recently erupted into 'all-out war' (Agbayani, 1987; Durante, 1988; Mercado, 2000). Since 1986, we have engaged in the design and implementation of a peace education programme sited initially in one Catholic university then outreached to schools and

community as well as in other higher institutions. Based on principles of critical empowerment, non-violence, just development, sustainability, and cultural solidarity, the processes and outcomes of this experiment suggest that with will, creativity, and patience, formal educational institutions can also nurture spaces for critical consciousness and empowerment (Toh, Floresca-Cawagas, and Durante, 1992). This is not to imply, of course, that the growth of peace education per se will overcome the structural causes of educational and societal inequalities. However, the clear focus in such peace education on developing critical understanding of the traps of top-down globalization will contribute to the growing voices of civil society in the Philippines that are mobilizing for global justice.

These ideas and strategies to reduce social inequalities, enhance economic relevance, and promote people development through education require supportive transformation in the wider social and economic community. Elite social classes will likely resist a disruption of their established dominance over rewards derived from education. In a society with such deep roots of structural violence, human rights violations, and political authoritarianism, one can also expect elite resistance to transformative education which strives to awaken citizens to build a culture of peace, human rights, and democracy. On the other hand, the poor will need to demystify the dream that formal education is a 'passport' away from rural or urban backwardness. Wider structural changes in political and economic institutions are necessary. However, these educational movements can be seen only as initiating important steps towards the building of a more just, democratic, sustainable, and peaceful Philippines that can challenge the destructive forces of globalization.

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8

Education and the Localization of Structural Adjustment in Cambodia

David Ayres

On April 17, 1975, Khmer Rouge soldiers marched victoriously into Cambodia's capital city, Phnom Penh. They met with little resistance. The war-weary population, overflowing with hundreds of thousands of refugees and displaced persons, turned out to welcome them, relieved that the fighting which had ravaged the country for the past five years had finally ended. The radical Communist soldiers were in no mood for celebrations. At gunpoint, they ordered the immediate evacuation of the entire population of the overcrowded city. For the next three years, eight months and twenty days, the Cambodian people worked in what was virtually a national prison farm. At least 1.7 million Cambodians died. Many had been executed, while others perished from overwork, starvation, or illness.

The leaders of Democratic Kampuchea (as the country was then known), all members of the Communist Party of Kampuchea (CPK), had visions of turning Cambodia into a self-sustaining rural utopia. They also harboured a desire to reclaim Cambodian territories ceded to Vietnam over the previous centuries. By mid-1977, after Cambodia had earlier tried to occupy disputed territories in Vietnamese-held areas and had attacked Vietnamese villages, open hostilities erupted between the two former Communist allies. On Christmas day 1978, after repeated provocation, the Vietnamese, in concert with several battalions of defectors from Democratic Kampuchea, launched a full-scale invasion of Cambodia. The Khmer Rouge regime quickly capitulated. On January 7, 1979, a new regime was proclaimed in Phnom Penh. The United Nations (UN) and the West, while fully aware of the genocide in Cambodia, condemned the new Vietnamese sponsored government. As a result, an international development assistance embargo was imposed on both Cambodia and Vietnam by the UN, with the support of China,

the United States, and members states of the Association of Southeast Asian Nations (ASEAN).

It is the brutal rule of the Khmer Rouge, and the destructive legacy of that rule, that is often central to how we understand and interpret Cambodia's development. The years of Democratic Kampuchea, the five-year civil war that preceded them, the extended period of international isolation that followed, and the eventual collapse of the Soviet Union – and therefore Soviet economic support to Cambodia – collectively form the historical backdrop to this article. It was in the aftermath of these tumultuous periods, when Cambodia returned to the fold of the wider international community, that the country joined the long list of developing nations that had formally embraced a programme of structural adjustment.

The purpose of this article is to consider this programme of structural adjustment in terms of its educational implications. A central theme is the dual educational dilemma that has accompanied structural adjustment in Cambodia. The first dimension of this dilemma has been the important 'human resources development' role accorded to what was a depleted and deficient educational system in facilitating the structural adjustment that is central to Cambodia's transition from a command-economy to one embracing market-economy structures. The second dimension of the dilemma, related to the first, concerns the fact that the educational reform process necessary to realize the education system's important development role has itself been undertaken in an environment of broader economic transition and structural adjustment.

A second theme of the article concerns the effects of this broader structural adjustment on education in Cambodia. The years since Cambodia began its shift towards a market-oriented economic structure and development ideology have been characterized by an ever-widening gap between the poorest and the richest members of Cambodian society. The period has also been characterized by an increased reliance by the government on family and household contributions to finance the impoverished education system. What have been the effects and implications of these phenomena in terms of educational equity and access? Has structural adjustment made it more difficult for children from Cambodia's poorest families to receive the quality education guaranteed them in the nation's constitution?

The third principal theme of the article relates to the extent to which the Cambodian structural adjustment experience, and the Cambodian educational experience in particular, mirrors the structural adjustment imperatives now associated with the so-called New World Order. In this

regard, the evidence is quite clear: while the policy framework supporting structural adjustment in Cambodia demonstrates significant parity with programmes of structural adjustment elsewhere, policies in Cambodia (often written by foreign consultants before being rubber-stamped by the government) are often cast aside or radically altered in a process of localization firmly associated with the Cambodian socio-political milieu.

In exploring these themes, the article has several aims. The first is to outline the events and socio-political and economic circumstances that led to Cambodia's adoption of a programme of structural adjustment. The second is to place the adjustment of education within the broader context of the national structural adjustment agenda. The third aim is to map and examine the educational policy reforms that have characterized Cambodian education since 1991, when the signing of peace agreements between the country's warring factions signaled the beginning of Cambodia's shift towards market-oriented policy imperatives. The final aim of the article is to examine the implications of these educational policy reforms.

The legacy of the past: a platform for structural adjustment

The march of Khmer Rouge soldiers into Phnom Penh in April 1975 came as no surprise. The Communists had been steadily taking control of the Cambodian countryside since 1970, when Cambodia's charismatic leader, and former king, Prince Norodom Sihanouk, was deposed by the country's right-wing national assembly and aligned himself with the local Communists (Chandler, 1991). Capitalizing on Sihanouk's popularity in the countryside, and with the assistance of the North Vietnamese army, the Communists were soon at war with the forces of Sihanouk's erstwhile former ally, Marshall Lon Nol (Chandler, 1991; Corfield, 1994; Shawcross, 1986). In focusing on the devastation wrought throughout Cambodia during the 1970s, this first half of the decade – obviously because of the magnitude of what eventually followed – is rarely afforded much attention. It is, however, a period of critical importance, characterized by the Lon Nol regime's total reliance on the United States (US). The US financed Cambodia's massive balance of payments deficit, ensured the continued supply of basic commodities including food, and maintained basic economic infrastructure – precipitating a decline into economic dependence from which the country has never fully recovered. Despite the flawed efforts of the US to create

a semblance of normalcy, the economic fabric of Cambodia was almost totally destroyed – infrastructure deteriorated, systems of economic management were neglected, corruption was rampant, and over the five years of Lon Nol's Khmer Republic, the Cambodian currency, the riel, depreciated by more than 2,300 per cent (Kannan, 1997, p. 6).

The disruption to the economy, which would later provide a platform for structural adjustment, was also reflected in the education system. By the end of the 1960s, the extent of Cambodia's educational infrastructure was among the best in the developing world. Primary and secondary schools were dotted throughout the countryside, while universities had been erected in Phnom Penh and other provincial centres. Financial expenditure on education often accounted for more than 20 per cent of the national budget, and the nation's teachers were well remunerated (Ayres, 2000).[1] The coup and then the descent into civil war immediately undermined the achievements in education since independence. Only a year after the conflict began, the government controlled only 20 per cent of the nation's primary schools. Almost half of Cambodia's junior secondary schools had closed, as had all of the universities outside Phnom Penh. As the war raged on, many school buildings were leveled by the fighting, while others were used by the warring parties as barracks, prisons, or munitions warehouses (Ayres, 1999, p. 206).

The victors in the civil war, the regime of Democratic Kampuchea, compounded the destruction wrought since 1970. The regime swiftly cast aside the education system of the old regime. Classrooms, considered to be vestiges of imperialism, were turned into barracks and prisons, while books were used to roll cigarettes, or were left to rot. Former schoolteachers, professors, and higher education students, targeted as class enemies, were often singled out for execution. While Democratic Kampuchea had a Ministry of Education, and had formulated and at certain times in certain places haphazardly implemented plans for a revolutionary education system, by January 1979 – when the Vietnamese toppled the regime – very few children in Cambodia were receiving any form of instruction (Ayres, 1999). The education system, which the government had promoted as one of the best in the region during the 1960s, lay in ruins: infrastructure had degenerated, books and teaching materials no longer existed, and a large number of the nation's teachers were either dead or had fled the country.

The regime that succeeded the Khmer Rouge was stitched together very quickly. Shunned by the West, almost totally reliant on the Vietnamese, and claiming fraternity with the Soviet-led international

socialist bloc, it struggled to manage basic economic activities, and to rehabilitate economic infrastructure. Its external trade was almost wholly with Council for Mutual Economic Assistance (CMEA) countries, and its deficit was financed by the Soviet Union (Kannan, 1997; Vickery, 1986). Despite the number and the magnitude of its problems, the regime almost immediately turned its attention towards the restoration of Cambodian education. Hamstrung by the physical and human legacy of the civil war and Democratic Kampuchea years, the leaders of the People's Republic of Kampuchea (PRK), as it was called, aimed to place as many students in schools as quickly as possible, in the hope of building Cambodia (then known as Kampuchea) into a nation of 'new socialist workmen' (Ministry of Education, 1984, p. 4; also Ayres, 2000; Clayton, 2000). The result of their efforts was a system of education afflicted by a raft of contradictions and a conspicuous qualitative crisis. The structure of the education system (4 years of primary schooling and two cycles of 3 years of secondary schooling) reflected that operating in Vietnam, as did the system's decentralized management apparatuses. While embracing socialism, the haphazardly developed curriculum reflected the French-oriented model that had been in place in Cambodia before the Khmer Rouge revolution.[2] Although there was a stated emphasis on practical and physical activities, most classroom teaching hours were absorbed by the humanities subjects that had been the core of the pre-revolutionary curriculum (Ayres, 2000).

Within this structure, the quality of education (using any spectrum of indicators) was deplorably low. Despite aid from Vietnam and from the Soviet bloc, educational infrastructure continued to be inadequate throughout the PRK period. By any measure, the nation's teachers were poorly trained and poorly remunerated, while teacher-training facilities were staffed by former teachers 'whose credentials should have often failed to gain them employment as the teachers they were charged with training' (Ayres, 2000, p. 143). Teaching aids were non-existent, while few students enjoyed the luxury of basic items such as pencils and writing books (Reiff, 1980; 1981). Compounding these problems were a lack of reliable data for planning purposes, and popular mistrust (even among those working in the Ministry of Education) of the intended socialist orientation of what was an irrelevant curriculum.

The beginning of the end of the Cold War and the subsequent collapse of the Soviet Union saw the PRK regime's many economic problems gravitate from bad to worse. Soviet economic support quickly dried up, forcing the regime to increase the magnitude and sharply accelerate the implementation of economic liberalization policies that had been enacted in 1985. These events transpired as the international com-

munity became more resolute in its determination to solve Cambodia's ongoing conflict (between the incumbent regime and the remnants of the Khmer Rouge and its non-Communist resistance allies). Peace negotiations between the major protagonists, and their international supporters, had begun in 1987. In Paris, in October 1991, agreement was finally reached on a comprehensive peace settlement whereby all of the fighting factions would be provided with the opportunity to participate in 'free and fair' elections conducted under the auspices and supervision of the UN (Heininger, 1994; Peou, 1997). The political and economic context, which underpinned the need for economic restructuring, has been summarized by Kannan (1997, pp. 8–9):

1. There existed a legacy of devastation and destabilization of the economy and society.
2. There was the legacy of one-sided external dependence, which had offered the government very few options in conducting its external economic relations.
3. There was a highly distorted pattern of government expenditure, with a major share allocated to military and internal security spending.
4. There was a balance of payments crisis, a result of the budgetary crisis stemming from the withdrawal of external economic assistance.
5. There was the compounding of these problems and challenges by an externally induced systemic crisis coupled with the challenge of a political transition (from one-party state to pluralistic democracy).

In essence, the end of the Cold War and the shifting international outlook on Cambodia pushed the country towards three tangents of transition. Without the substantial economic support of the Soviet bloc, measures were needed to find macro-economic solutions to what were very conspicuous and escalating fiscal and monetary problems. In this regard, Cambodia joined its former benefactors in Vietnam and the Soviet Union by becoming what is now known as a transitional economy – one moving from command-economy to market-economy structures. Unlike its contemporaries, however, its economic transition was to be undertaken in an environment of broader transition – from the destruction, trauma and devastation of war to the reconstruction and rehabilitation brought about by peace, and from authoritarian socialism to liberal democracy (Peou, 2000). The nature and effects of this tripartite transition, especially as it pertained to education, is the focus of the remainder of this chapter.

Untac and beyond: towards structural adjustment

The most significant element of the peace agreements signed by Cambodia's four warring factions in Paris in October 1991 was the establishment of an international control mechanism that would temporarily rule the country while preparations for the elections were made. The control mechanism eventually formulated and adopted was known as UNTAC (United Nations Transitional Authority in Cambodia). The most ambitious peacekeeping operation ever embarked upon by the UN, UNTAC moved beyond the traditional peacekeeping role to embrace what UN Secretary-General Boutros Boutros-Ghali referred to as 'peace-building' (Boutros-Ghali, 1992). Central to this process was the final component of the peace agreements, the *Declaration on the Rehabilitation and Reconstruction of Cambodia* (United Nations, 1995a). The declaration, which called for 'economic aid to benefit all areas of Cambodia' (p. 148), effectively signaled the long-isolated country's return to the fold of the Western-oriented multilateral and bilateral development banks and agencies, whose assistance it had been denied for so long. Soon after the agreements were signed, the Asian Development Bank (ADB) commissioned an *Economic Report on Cambodia*, the United Nations Development Programme (UNDP) a *Comprehensive Paper on Cambodia*, and the UN Secretary General issued a *Consolidated Appeal for Cambodia's Immediate Needs and National Rehabilitation* (ADB, 1991; UNDP, 1992; United Nations, 1995b). What eventually became a frenzied round of preliminary needs-assessment activities by both multilateral and bilateral agencies was completed with a joint UNDP, World Bank, International Monetary Fund (IMF) and ADB report, *Cambodia, Socio-Economic Situation and Immediate Needs* (UNDP *et al.*, 1992).

The immediate educational impact of these initial reports and assessments was negligible. In essence, they reinforced the rehabilitation and reconstruction principles stemming from the Paris agreements. By doing so, they set Cambodia firmly on the path of the economic–integrationist development ideologies and imperatives associated with post-Cold War developmentalism. The establishment of a framework for Cambodia's rehabilitation and reconstruction was set in motion in June 1992, when Japan hosted the Ministerial Conference on the Rehabilitation and Reconstruction of Cambodia (MCRRC). The conference established an ongoing consultative mechanism (known as ICORC, the International Committee on the Reconstruction of Cambodia) that would facilitate dialogue between a future Cambodian government and its development partners (international organizations and bilateral donors). It issued a

final declaration that set the tone for the involvement of multilateral and bilateral donors in Cambodia's structural adjustment:

> International financial institutions stressed the importance of market-based reforms in Cambodia to increasing output in major sectors of the economy . . .
>
>   There remain fundamental institutional and policy-related constraints to further economic progress . . .
>
>   We are hopeful that . . . Cambodia can expand and diversify its external trade and investment relationships, so that it will be integrated into the dynamic economic development of the Asia–Pacific region and of the world.
>
> <div align="right">(United Nations, 1995c p. 197)</div>

In October 1993, only a month after the UN-sponsored electoral process had reached its conclusion with the formation of a coalition government, bilateral donors paid Cambodia's arrears to the IMF that had been accumulated during the 1970s. Within days, the new government became a signatory to an IMF Systemic Transformation Facility (STF) loan, requiring it to implement tight fiscal and monetary policies (McAndrew, 1996, pp. 18–19).

The structural adjustment agenda in Cambodia was described by one analyst as a 'fairly standard package as prescribed by the IMF/World Bank to other poorer developing countries moving from a command economy to market-economy' (Kannan, 1997, p. 21). Through macro-economic management, the structural adjustment programme (SAP) set targets for deficit reduction, monetary and financial reform, external trade liberalization, and public sector reform. These targets are summarized in Table 1.

The economic development imperatives of the SAP manifested themselves in the National Programme to Rehabilitate and Develop Cambodia (NPRD), a plan presented by the government to international donors at an ICORC meeting in Tokyo in March 1994. The essential themes of the NPRD – a commitment to a powerful private sector, institutional efficiency, economic diversification and regionalization, and market-based economic reform – underpinned Cambodia's economic transition, providing a stark contrast to the command economy and socialist orientation that the country had embraced prior to the Soviet collapse.

One of the central platforms of the NPRD was the development of Cambodia's human resources base (Royal Government of Cambodia, 1994). Its importance was reiterated the following year in a government

Table 1 Summary of macroeconomic and structural adjustment policies, 1994–6
(references to education sector are italicized)

Policy area	Specific policy area	Objectives and targets
Fiscal policy and administration	1. Revenue	Mobilize additional revenue
		Increase tax elasticity/broaden tax base
		Improve tax administration
	2. Expenditure and budget control	*Re-orient expenditure priorities (devoting more resources to education and health)*
		Improve expenditure and control management
	3. Administrative reform	Restructure civil service
		Improve public administration
	4. Public investment	Rationalize and increase public investment
Public enterprise reform	1. Reform	Establish more efficient public enterprise sector
		Strengthen operating efficiency and profitability
	2. Privatization	Privatize commercial public enterprises except those with clear public sector rationale
Financial sector	1. Financial sector reform	Encourage increased use of domestic currency
		Strengthen national bank central banking functions
	2. Monetary policy	Maintain and strengthen monetary control and management
		Move to establish market-oriented interest rate determination
Exchange rate		Protect currency account and reserve position
		Simplify exchange arrangements

Trade and exchange reform	Improve export incentives Liberalize the trade system
External debt	Normalize international financial relations Debt management
Foreign investment policies	Facilitate increased foreign investment flows and technology transfer
Agricultural sector reform	Increase agricultural productivity Rationalize role of state in agricultural production
Transport sector	Rehabilitate and expand transport infrastructure Prepare state-owned enterprises for privatization
Energy	Rehabilitate and expand power utilities Provide reliable power supply
Water	Improve water supply
Services	Develop tourism sector
Poverty	Protect vulnerable groups from adverse effects of adjustment *Improve social services (including education and health)*
Environment	Protect environment

Source: Kannan (1997) pp. 14–16

report to ICORC which stated that one of its fundamental priorities was the 'sustainable development of human resources' (Royal Government of Cambodia, 1995b, pp. 2–3). These statements were mirrored in the government's five-year (1996–2000) socio-economic development plan:

> Research on regional and other countries indicates that investing in people . . . offers high rewards . . . Such research indicates that countries that invest early in developing human resources are often those that have laid the foundation for long-term growth. The Royal Government's strategy for addressing poverty, therefore, is to address the many characteristics of poverty across a broad front, and to treat the issue as essentially synonymous with human resources development. In the Cambodian context in particular, reducing poverty and human resources development are virtually inseparable.
>
> (Royal Government of Cambodia, 1995b, p. 3)

The commitment to human resources development has been continually emphasized in statements by senior government officials in the years since the socio-economic development plan was promulgated. At a 1998 conference on economic integration, for example, Senior Minister in Charge of Economic Rehabilitation and Development Keat Chhon declared that 'without question, the number one challenge for Cambodia is to develop our human resources'. Focusing on Cambodia's need to strengthen the skills of its workforce, and its future workforce, Chhon was adamant that 'human resources are the key to competing economically with our ASEAN neighbors and the world' (Keat Chhon, 1998, p. viii).

Structural adjustment, undertaken within the context of a broader statement of Cambodia's development objectives, presented Cambodian education with a two-dimensional dilemma. On one hand, as the above statements by the government and its senior officials testify, education was regarded as the critical institution through which the skills and capacities could be developed to ensure successful economic transition and structural adjustment. On the other hand, though, education was itself to be embroiled in the whirlwind of adjustment – embracing reforms that called for increased efficiency, institutional strengthening, and privatization.

Education reform

A shift towards market-oriented educational reform had begun in Cambodia in response to declining Soviet, and in turn Vietnamese, assistance. A section of the 1991 State Plan of the State of Cambodia

(SOC, the renamed People's Republic of Kampuchea) called for private sector involvement in stimulating the opening of kindergartens, and also called for a more general reduction of the state sector (Ministry of Education, 1990).[3] These intentions were reinforced in 1991, less than two months before the peace agreements were signed in Paris, when the SOC Ministry of Education sponsored a National Conference on Education for All – a local response to the World Conference on Education for All (EFA) in Jomtien, Thailand, in March 1990 (State of Cambodia, 1991). The State Plan and the report of the national EFA conference, beyond their superficial statements of intended educational directions, are all but useless if viewed as statements of educational policy. Making continued references to what needed to be done, the documents failed to provide any details on how these needs could be met – a situation one analyst has recently described as characteristic of SOC plans of the time (McNamara, 2000, p. 102). The documents are useful, however, as indicators that Cambodia had moved towards a market-oriented economic and development agenda some time before being pushed by future multilateral and bilateral donors.

It was these donors, many of whom attended the Phnom Penh EFA conference, that led the shift towards a more strategy-based approach to educational planning. A UNDP project, 'Capacity building for education and human resources sector management', eventually led to the *Rebuilding Quality Education and Training in Cambodia* Programme, which was ratified in slightly modified form at the National Education Seminar in January 1994 (Ministry of Education, Youth and Sport, 1994a). The programme, written by a team of foreign consultants at a workshop in Paris, provided the foundation for policy-making in education over the next two years. At the seminar, Minister of Education Ung Huot outlined the Cambodian government's educational priorities:

> Universalizing nine years of basic general education, and developing new opportunities of functional literacy . . . for the people who have no access to the formal system;
> Modernizing and improving the quality of the educational system, through effective reform, in order to respond appropriately to the present and future socioeconomic requirements of the country;
> Linking training development with the requirements of both employers and workers'.
>
> (Ung Huot, 1994, p. iii)

The priorities reflected the regime's often emphasized commitment to development, and responded to the educational imperatives included

in the Kingdom's constitution, which had called for the state to provide at least nine years of free education to all citizens (Jennar, 1995).

An *Education Sector Review* conducted by the ADB followed and built upon the work approved by the National Education Seminar (ADB, 1996). An *Investment Framework, Education Sector: 1995–2000*, stemming from the ADB's review, was adopted by the government in December 1994 (Ministry of Education, Youth and Sport, 1994b). It was finally incorporated into Cambodia's *First Socioeconomic Development Plan, 1996–2000*, where the government reiterated its commitment to human resources development by guaranteeing 'to allocate a minimum of 15 per cent of the total [national] budget [by the year 2000] to education' (Royal Government of Cambodia, 1995b, p. 215).

The proposed educational policy framework, as expressed by the ADB review and eventually adopted by the government, was characterized by several themes. The first was a commitment to the revitalization of educational quality. With the turmoil of the previous two decades as a backdrop, it was both a necessary and laudable goal. While the regime that preceded the peace agreements attempted to improve the quality of education in Cambodia – especially through improving teacher training (Duggan, 1996) – its achievements were conspicuously limited. Reflecting on the state of the education system in the period immediately following the UN sponsored elections, one observer recalled:

> The curriculum was basic in the extreme. Math consisted of one page list of topics per class, each topic to be completed in a week . . .
>
> The schools were bare. Hardly a book or a poster to be seen and other equipment no more than a dream. Teachers . . . were usually two months behind in salary, often missed out completely, and rarely got their full entitlement.
>
> Ministry offices were no better. No funds were available for paper, pens, water supply, electricity or fuel.
>
> (McNamara, 1996, Supplement p. 3)

There was ample evidence to support these observations. A UNICEF project that surveyed student competencies in the Khmer language and in mathematics revealed declining levels of student development in mathematics during the course of primary school, with very little progress made in language development (ADB, 1996, p. 113). In relation to educational infrastructure, a 1994/95 survey of schools in Takeo province revealed, for instance, that the vast majority of schools were without even four satisfactory walls and a roof (Nobe, 1995). The case

of the *Ecole Chhon Mon*, in Takeo district, was typical of the state of infrastructure elsewhere. Several buildings were without walls, and almost all had a leaking roof constructed from palm leaves. The competency of staff and students in secondary education and in higher education, and the state of infrastructure at each of these levels reflected the poor quality prevalent in primary schools. Henri Locard's examination of social sciences at the University of Phnom Penh revealed, for example, 'rampant' absenteeism among staff, a poorly defined academic curriculum, and facilities that were often the equal of those in primary education described above (Locard, 1993, pp. 18–19). The *Education Sector Review*, in addressing the concerns raised by these qualitative problems, suggested that policy makers attempt to increase the hours of school instruction, provide students and teachers with more instructional materials, improve the effectiveness of teachers, improve standards for monitoring student development and achievement, and improve physical plant.

These qualitative concerns were coupled with questions of access and educational expansion, which constituted the second theme of the educational policy framework. With the unchecked expansion that had characterized Cambodian education in the 1950s–1960s and again in the 1980s as a backdrop (Ayres, 2000), there was an emphasis on educational expansion being both 'selective' and 'targeted'. In order to meet Cambodia's commitment to education for all, the ADB review proposed that expansion focus on basic education. Equity measures included expanding female enrolment and ensuring adequate educational provision for children from ethnic minorities and children in geographically remote areas.

The third theme of the policy framework, considered essential because of the dual needs for qualitative improvement and selective expansion, was the achievement of greater cost-efficiency in education. With a bloated bureaucracy (four teachers: one non-teaching staff member) and teacher salaries absorbing a sizeable portion (over 80 per cent) of the education sector's recurrent budget, teachers working only a few hours per day, classrooms often unoccupied, and with alarming numbers of students dropping out of school and repeating grades, the review offered several suggestions for improving cost-efficiency (ADB, 1996). These suggestions included rationalization of education services through downsizing the proportion of non-teaching staff, more intensive use of teachers through salary top-ups for teachers who work longer hours, introducing automatic student promotion, and maximizing the use of existing educational buildings.

A fourth theme was a concentration on institutional development. With restructuring and downsizing of Cambodia's public service a central platform of the country's structural adjustment plans, rationalization of the education service – with 75,000 employees, or half of the civil service – was an essential part of the process. The ADB review proposed a reduction in the number of the education ministry's directorates and specialist units (from 16 to 7), a redeployment of many administrators with teaching qualifications to classroom teaching positions, and a decentralization of management functions to provincial authorities. Other proposed institutional development measures – focused on providing the more stream-lined education ministry with the capacity to plan, monitor and manage educational activities – included developing management capacity at each level of the system, strengthening education support agencies (for example, in examinations and textbook production) and establishing an aid coordination and management unit.

The final theme of the policy framework, the effects of which would envelope the first four, was mobilizing more resources for education. The ADB study asserted that 'additional spending on education is critical for achieving [the] government's education development ambitions' (ADB, 1996, p. ix). The review suggested that additional resources could be mobilized through increased government spending on education, the consideration of fees in higher education, and the establishment of committees to regulate, channel and manage at an institutional level the already significant contributions made by parents to their children's education.

The educational reform programme certainly reflected the economic imperatives of structural adjustment. Its emphasis on quality, and qualitative improvement, adopted criteria concerned with questions of efficiency – maximizing the use of physical plant, reducing wastage, and improving monitoring capacity all emerged as important areas for reform. Similarly, the consideration of fees at the higher levels of education, notions of cost-sharing in infrastructure rehabilitation and development, and the coordinated mobilization of community inputs were all measures that could be quite easily associated with the economic-oriented educational imperatives of the World Bank, and with the educational policy programmes associated with structural adjustment in other developing countries (Welch, 2000).

Structural adjustment or Cambodian maladjustment?

The divide between rich and poor in Cambodia is evident at every turn. In Phnom Penh, cyclo-taxis, often rented to poor provincial farmers

seeking to supplement their meagre incomes, share the road with an increasing number of late model Mercedes, BMWs and Toyota Landcruisers. Pretentious new villas share the pot-holed and frequently flooded streets with shanty dwellings, while the *nouveau riche* share the sidewalks with thousands of street children, who spend their days scavenging, begging, selling their bodies, or sniffing glue. In Siem Reap, home to the famed Angkorean temple complex, wealthy Western tourists pay more for a meal at the Grand Hotel d'Angkor's *Restaurant Le Grand* than a Cambodian schoolteacher earns in a month. These stark divisions of wealth and access to basic human services exist at all levels of Cambodian society: between rural and urban Cambodians, between men and women, and between those engaged in different economic activities.

Cambodia's 1999 *Human Development Report* provides ample evidence of the significant disparities between the lives of the richer and poorer members of Cambodian society. Using the UNDP's human development index (HDI), a composite measure of a range of human development indicators, the report reveals a score almost 25 per cent higher among urban Cambodians than among their rural counterparts. The richest twenty per cent of Cambodians, it claims, have a HDI score almost 50 per cent greater than the poorest 20 per cent. Adoption of a human poverty index (HPI) – measuring deprivation in respect of longevity, knowledge and living standards – found significant gender disparity in human poverty persisting across all economic groups, with higher disparity among richer members of society (Ministry of Planning, 1999, pp. 6–7). These disparities, it should be noted, were set against a very low baseline – Gross Domestic Product (GDP) per capita was only $284 in 1995 (falling to $274 by 2000), while average civil servant wages fell from $25 to $20 between 1995 and 1998 (Kato *et al.*, 2000, pp. 12, 33).

In a country where more than 70 per cent of the population earns their living from agriculture, the *Human Development Report's* findings in relation to economic activities were particularly alarming. Drawing on a 1997 nationwide socio-economic survey, it reported that agriculture was the most important economic activity in 92 per cent of the poorest quintile of Cambodia's villages, and was the most important economic activity in only 21 per cent of the richest quintile of villages. Only 4.3 per cent of the poorest villages reported trade as their most important economic activity, while it was the leading activity in 51.1 per cent of the richest 20 per cent of villages (Ministry of Planning, 1999, p. 14).

Cambodia's striking economic disparities are reflected in education, with the nation's poor having significantly lower educational opportu-

nities than the non-poor. While it appears that educational opportunities for primary-aged students are relatively evenly distributed among different economic groups (differentiated in terms of per-capita expenditure quintiles), this distribution becomes very uneven beyond primary school, as Table 2 (below) demonstrates.

Students from Cambodia's richest families occupy more than 60 per cent of upper secondary school places, while students from the poorest families occupy less than 2 per cent of places. In post-secondary education, the differences are even more stark: there are no students from the poorest economic quintile, with more than 57 per cent of places taken by the richest 20 per cent of students.

Gender inequities are also evident in educational enrolment patterns. As with the economic disparities discussed above, gender disparities widen sharply beyond primary education (Table 3, below).

Enrolment rates for female students in rural areas fall sharply after primary school, and again after lower secondary school, with an upper secondary school gross enrolment rate of less than two per cent. In

Table 2   Distribution of enrolled students and of the school-age population, by quintile and by schooling level, 1997

Educational level	Per capital real expenditure quintile (percentage of population at each level)					
	Poorest	II	III	IV	Richest	Total
Primary	20.32	21.22	21.59	18.87	18.01	100.00
Lower secondary	4.85	13.34	18.51	24.85	38.44	100.00
Upper secondary	1.96	4.23	11.98	20.83	61.00	100.00
Post-secondary	0.00	3.74	4.88	34.35	57.02	100.00

Source: Deolalikar (2000) p. 45

Table 3   Gross enrolment rates by gender, and by geographical region, 1997–8

Educational level	Female gross enrolment				
	Total	Total	Urban	Rural	Remote
Primary	88.3	81.2	88.5	85.4	43.9
Lower secondary	23.7	16.8	35.6	12	0.4
Upper secondary	8.1	5.7	16.4	1.7	0.0

Source: Ministry of Education, Youth and Sport (1998) p. 40

remote areas, rates of female enrolment fall even further behind gross national figures, with less than one per cent of girls enrolled in lower secondary school, and none in upper secondary education.

The key issue to examine here is the extent to which the economic and educational inequities clearly evident in Cambodia are the result of a programme of structural adjustment. The basic premise that the disparities in Cambodian education are a function of a structural adjustment programme is predicated on a number of critical assumptions. First, it assumes that the structural adjustment programme was actually implemented. Secondly, it assumes that the effects of the policy measures stemming from the structural adjustment programme caused increased divisions between rich and poor. Finally, it assumes that either these economic divisions have been transferred to or impact upon the educational setting, or that educational policy measures that directly or indirectly stem from a structural adjustment programme have facilitated a greater division between the educational opportunities of rich and poor. To a greater or lesser extent, each of these fundamental assumptions lacks merit or is at the very least problematic in respect of Cambodia.

The structural adjustment agreement that was signed between the IMF and the Cambodian government in 1994 was an overwhelming failure. It did not fail because its policy imperatives and prescriptions were flawed. It failed because the Cambodian government, after signing the agreement and accepting the funding that accompanied it, effectively ignored it. Many of the policy objectives and targets set in the 1994 agreement were enshrined in the *National Programme to Rehabilitate Cambodia*, and later in the *First Five Year Socio-economic Development Plan, 1996–2000*. The *Plan* devoted an entire chapter to the reform of state institutions, reiterating the commitment made to the IMF that the size of the civil service would be reduced 'by 20 per cent by the end of 1997' (Royal Government of Cambodia, 1995a, p. 72). Fiscal reform commitments in the plan, also derived from the government's agreement with the IMF, included reducing (and possibly eliminating) external financing of current expenditure, reducing the proportion of current expenditure absorbed by civil service salaries, widening the tax base, moving towards a budget surplus, and reducing defense expenditure as a proportion of GDP (Royal Government of Cambodia, 1995b, p. 101).

The economic reform policies that were actually implemented by the government were far removed from those agreed to with the IMF, and contained in the development plan. Instead of shrinking, the size of the civil service continued to balloon. Between 1994 and 1996, while the government managed to remove 6,897 names from the list of civil

servants (almost half of whom were non-existent officers whose salaries had been appropriated by their supervisors), more than 25,000 new civil servants were recruited (Council of Ministers, 1996; Kato *et al.*, 2000, p. 11). The educational component of the civil service, estimated at 74,600 in 1994, was 75,573 in December 1997 – a considerable difference with the reduction of 15,000 suggested in the ADB's education sector study (ADB, 1996; IMF, 1999, p. 39). The result of the government's policy backflip was that the proportion of current expenditure allocated to civil service salaries, instead of being reduced, actually increased. There was also significant divergence between policies adopted and policies implemented in other areas. Efforts to widen the tax base were continually undermined by the ad hoc exemptions and business arrangements the government had negotiated with both domestic and foreign investors,[4] and a failure to include all revenues in the national budget from what all parties agreed were unsustainable logging activities (Global Witness, 1998; World Bank, 1997).

Donor frustrations with the Cambodian government's failure to follow through on its economic adjustment commitments were first voiced in 1995 (Lang, 1996). In 1997, with few notable improvements – especially in relation to forestry policy – the IMF decided to suspend the disbursement of the third round (scheduled for August) of its Enhanced Structural Adjustment Facility (ESAF) loan to Cambodia. Soon after, the coalition government, which had been formed following the 1993 elections, collapsed (Brown and Zasloff, 1998). Poor economic performance was thus coupled with political instability. Structural adjustment lending to the Cambodian government did not resume until late 1999, when an agreement was signed that would result in more strict supervision of the government's implementation of economic reform policies (IMF, 1999). The nature of the post-1999 SAP is remarkably similar to the agreement of 1994. A central element in the ESAF reform agenda is the improvement of budgetary management, with an emphasis on avoiding ad hoc taxation and customs duty exemptions, continuing to broaden the tax base, improving customs administration, and strengthening administrative capacity. Also reflecting the 1994 programme is an emphasis on reorienting government spending toward the social sectors by fully implementing plans for military demobilization and civil service reform.

With this second manifestation of the structural reform programme still in its infancy, it is impossible to measure (or even speculate about) either its fundamental effects or its implications. What can be noted is that the deep-seated political traditions that contributed to the failure

of the first SAP remain unchanged. Basically, it has not been in the interests of Cambodia's political elite to implement structural adjustment. The interests of the elite – accumulating power, accumulating wealth, eliminating voices of opposition, and appeasing their supporters – are predicated on what David Chandler has referred to as a 'winner-takes-all political culture' (1998, p. 43). It is a political culture where leaders see no 'necessity to be popular, flexible, or responsive', where 'injustice and government have gone hand in hand', the 'people's loyalty is supposed to be unquestioned', and where 'power is its own reward' (p. 44). The implications of this political culture in terms of economic reform are obvious:

> Any attempt to strengthen the state [has] depended on finding additional sources of state revenue . . . Any attempt to do so, however, threatened the ability of the [elite] to finance their power bases, which they did by exploiting the economic opportunities created by liberalization. The [pre-coup] co-prime ministers' ability to reward their clients . . . largely depended on diverting money from the state budget, either directly (as in the case of forestry . . . revenues) or indirectly (by taking contributions in the form of money or shares from businessmen in exchange for tax exemptions or artificially low tax rates or turning a blind eye to criminal activities).
>
> (Ashley, 1998, pp. 56–7)

While the 1994 structural adjustment agreement the Cambodian government signed with the IMF was not implemented – and therefore cannot be held to account for facilitating an increased division between rich and poor – a localized process of adjustment, which incorporated selected elements of the IMF programme but was more in tune with the entrenched political culture, did take place. This reform programme, as with the market-oriented programme of educational reform discussed above, was set in motion in response to declining Soviet and Vietnamese economic assistance. To a certain extent, it had, therefore, already taken place before the IMF agreement was signed in 1994. The localized adjustment programme, borrowing from Soviet *perestroika* and Vietnamese *doi moi*, was characterized by many of the same features as the programmes of structural adjustment prescribed by the IMF – including currency deregulation, the privatization of state-owned enterprises, banking and monetary reform, and the removal of price control mechanisms (Kannan, 1997). What set it apart from the programme later prescribed by the IMF, with which it was eventually coupled, was the nature

of its implementation – forward planning was negligible, there was no process of consultation between central and provincial stakeholders or across ministries, policies were rarely costed, and legislation was not put in place. In short, it was a programme of policies 'made on the run' – a direct response to budgetary shortfalls which could not be rectified by adopting the same measures (such as printing more money) used by the government in the past.

There is certainly anecdotal evidence to indicate that measures, associated with this ad hoc, localized programme of economic and structural adjustment, undertaken prior to the involvement of international organizations in shaping Cambodia's economic development, were a determining factor in the widening gap between Cambodia's rich and poor. The government's decision to sell state enterprises and state-owned properties, for example, saw many poorly paid state employees with connections to the elite of the ruling political regime suddenly become reasonably wealthy speculators in a burgeoning Phnom Penh property market. While the distribution of property and land titles provided select members of Cambodian society with newfound wealth, at the opposite end of the scale were other measures that saw poor members of society become poorer. Kannan (1997) noted, for instance, that 'one of the first casualties' of the process of market-oriented reform in Cambodia was the 'dismantling of social protection afforded to [poorer] sections of the population through a share in the local production of food, subsidized agricultural inputs, etc.' (p. 25).

To be fair, the direct involvement of the international community in bringing an end to Cambodia's ongoing conflict exacerbated problems stemming from the liberalization policies adopted by the government in the late 1980s. The arrival of UNTAC personnel, for example, effected the division between rich and poor in two ways. First, UNTAC's concentration in Phnom Penh, and to a lesser extent in Battambang (Cambodia's second city), fostered an urban-centric pattern of economic development. Growth of the rural-based commodity producing sectors of the economy (where more than 70 per cent of the labour force are employed) remained poor through the early 1990s, with rates of growth often lower than the growth rate of the population. At the same time, the urban-based services sector, catering to the demands of UN service personnel, recorded explosive rates of growth, fuelled by a booming hotel construction industry and demand for retail goods. Many urban Cambodians, especially those with marketable skills (English language, for example), suddenly became disproportionately wealthier than their rural counterparts.

The second effect of the arrival of UNTAC personnel was the 'dollarization' of the Cambodian currency. The economic crisis of the late 1980s had seen rapid inflation, and declining confidence in the domestic currency. In comparison to the US dollar, the local riel depreciated 1700 per cent between March 1989 and March 1993 (and a further 430 per cent by May 1993). In order to protect real purchasing power, many individuals and businesses elected to use the US dollar in their transactions. It was a situation made possible by the presence of a large number of UN personnel, whose very attractive salaries were paid in US dollars (Kannan, 1997). The effects on the wealth gap were stark:

> Those who can earn and hold dollar[s] are able to protect themselves from domestic inflation and those who do not have that opportunity bear the brunt of inflation. In general, the majority of the people in rural areas do not have dollar incomes and that gives them no protection against inflation.
>
> (Kannan, 1996, p. 17)

Taking the factors and events discussed above into consideration, the assumption that a structural adjustment programme was actually implemented and then provided for an increased division between rich and poor in Cambodia becomes problematic. Should the Cambodian government's round of economic policy measures implemented in the late 1980s and early 1990s be regarded as a programme of structural adjustment? Or was it merely a case of Cambodian maladjustment, where the political elite haphazardly implemented economic policies that were characterized by a lack of transparency, accountability, an incoherent pattern of governance and legislation, and a lack of concern for the powerless and the vulnerable? Whatever the case, it is quite clear that economic (and political) reforms implemented in Cambodia – whether or not they can be classified as structural adjustment – have contributed, over the last decade, to more uneven distribution of incomes and widening gaps between rich and poor.

Educational implications

How do we account for the disparities in educational opportunities between rich and poor that are so clearly evident in contemporary Cambodia? Are these disparities a legacy of the market-oriented economic reform processes implemented since the late 1980s? If so, are the disparities a product of specific educational reform measures associated

with structural adjustment and economic reform, or have they been directly transferred to the educational setting from the wider economic environment? In order to adequately respond to these key questions, it is important to examine the nature of the implementation of the programme of educational reform as discussed above. In doing so, it is clear that the educational reform programme, like the structural adjustment programme the government agreed to with the IMF, has been implemented in an ad hoc manner characterized by what Vincent McNamara (2000) has eloquently referred to as the 'politicization' rather than the 'professionalization of governance', where 'political criteria continue to take [absolute] precedence over technical criteria in the operations of government' (p. 117).

The educational reform programme first adopted by the government in 1994, and which continues to provide the basis of educational policy-making, was based on a single fundamental tenet – the realization that for the goals of the education to be realized, there was a need for more resources to be devoted to the education system. While commentators have often criticized structural adjustment programmes for the austerity measures that are forced upon social-policy sectors in the economy (primarily education and health), the structural adjustment environment in Cambodia, if implemented as agreed, would have provided education (and health) with much needed increases in funding. The evidence, however, is explicit – the government moved in exactly the opposite direction to its adopted stance.

It seemed obvious from as early as 1995 that the government's often-repeated commitment to devote 15 per cent of the budget to education by the year 2000 would not be realized. By 1996, senior government officials had finally admitted that their funding targets would not be met. At a higher education conference in December 1996, Keat Chhon declared that the 'goal of reaching 12 to 15 per cent of the budget in the year 2000 will not be achieved' (Keat Chhon, 1996, p. 3). Table 4 provides salient evidence of the extent to which the government had fallen short of its target.

The very fact that the education system has been chronically under-funded and under-resourced – in clear contravention of the country's formal structural adjustment agreement and socio-economic development plan – provides a key to one of the main determinants of inequitable educational opportunities in Cambodia. Prior studies have indicated the extent to which the burden of Cambodia's educational funding shortfall is borne by Cambodian households (Bray, 1999; Tilak, 1994). Mark Bray's examination of the private costs of public schooling

Table 4 Education spending as a percentage of
national budget, 1994–8

Year	Education spending (% of Budget)
1994	9.63
1995	8.93
1996	8.97
1997	8.1
1998	10.4

Sources: Keat Chhon (1996, p. 3); www.moeys.gov.kh

in Cambodia revealed, for example, that while the government spent
(in 1997) an estimated US$9.68 per primary-school child per year on
salaries, administration, textbooks, and furniture (Bray, 1999, p. 126),
households and communities contributed more than US$45 (almost
60% of per-pupil units costs) per student on school levies and registra-
tion fees, stationery, uniforms, books, transportation, pocket-money,
gifts to teachers, and supplementary tutoring – often given by children's
regular teachers in the same classroom that they receive their 'free' edu-
cation.[5] The implications in terms of educational access and equity are
obvious – those students without the capacity to pay for what is a semi-
privatized education simply drop out. These implications impact even
more sharply upon female students, for whom education, because of
firmly entrenched cultural beliefs about the traditional role of women,
is not considered to be as important as it is for male students (Fiske,
1995; Ledgerwood, 1992).

With respect to education funding alone, it seems clear that the edu-
cational policy programme of the Cambodian government contributed
to disparities in educational equity – creating a system where even at the
lowest levels, students' families have been required to fund their chil-
dren's education. It could also be reasonably argued that the broader eco-
nomic effects of Cambodia's localized programme of structural adjust-
ment, by contributing to the inequitable distribution of income, has left
the families of many students, especially those in rural areas, unable to
pay for their children's education. At the very least, it could be argued
that the removal of social protection measures that has accompanied
structural adjustment has exacerbated the difficulties experienced by
poorer Cambodians in seeking to provide their children with education.

Beyond questions of equity and access, it is worth considering other
education-related aspects of the structural adjustment agenda in

Cambodia. Focusing on the higher education sector, David Sloper has pointed to several attributes of the education systems of former Soviet and Eastern bloc countries that have been viewed as negative in terms of contributing to the social and economic problems being encountered during periods of adjustment and transformation. These attributes, which were evident in Cambodia, included:

> an absence of legislation, bodies and provisions to enable improved coordination, responsible utilization of state and private financial support, and assurance of quality; an emphasis on credentialism;
>
> curriculum rigidity, inhibiting purposeful education and implying a policy orientation towards the central distribution of labor;
>
> vertical curriculum streaming, constraining . . . employment mobility.
> (Sloper, 2000, p. 11)

It was intended that Cambodia's educational reform programme, tied to the structural adjustment agenda, would address these issues, reorienting both educational inputs and outputs towards the country's market-oriented development ideology. As this article is written, there is little evidence of a shift away from the characteristics of the past. No legislation has been put in place to provide for the free education guaranteed in the nation's constitution, students continue to focus on gaining a qualification over the attainment of marketable and meaningful skills and abilities, the curriculum continues to ignore the needs of rural students, and is still predicated on a model that assumes students will move beyond primary-level studies. Graduates of the higher education system, meanwhile, continue to demand employment in the bloated civil service. As with the ad hoc implementation of the country's broader structural adjustment agenda, there is little indication that Cambodia has established for itself a path towards market-oriented educational reform, or that policy makers have considered broader issues to ensure or improve educational equity.

Conclusion

The relationship between education and structural adjustment in Cambodia is riddled with complexities. Fundamental among these is how we actually define structural adjustment. If we are to adopt a strict definition of structural adjustment, one that ties it to the programmes of economic reform initiated and driven by the Bretton Woods institutions, the IMF and the World Bank, then we could reasonably argue that

structural adjustment has never truly occurred in Cambodia. Certainly, of the two attempts at implementing an IMF programme/agreement since 1993, one was cancelled and the other is still in its infancy. If, on the other hand, we adopt a less strict definition of structural adjustment, where it is taken to mean economic reform linked to the embrace of integrationist economic orthodoxy, then structural adjustment can be considered in the Cambodian context.

A second dimension of the complex education–structural adjustment relationship concerns the extent to which the educational reform programme adopted in Cambodia related to the structural adjustment agenda. There was significant parity between the structural adjustment programme the government agreed to with IMF, and the programme of educational reform that it embraced at the 1994 National Education Seminar, and which was eventually incorporated into the country's five-year socio-economic development plan. The agreement with the IMF, however, was never implemented, while much of the educational reform programme has been ignored. In considering the relationship between what was actually implemented – ad hoc, localized economic reforms and a politicized programme of educational reforms – the same parity does not exist. Like the agreement with the IMF, the economic reforms actually implemented were geared towards a market-oriented development ideology. What they lacked was any semblance of coordination, and they eventually impacted negatively (and often severely) on Cambodia's most vulnerable households. Education, denied funding and in turn almost totally reliant on household and community contributions, only served to exacerbate the difficulties imposed on this segment of society.

The final dimension of complexity stemming from the education – structural adjustment relationship relates to the question of how much we attribute disparities in educational equity and access in Cambodia to the embrace of the economic-integrationist orthodoxy now associated with the global economy. Did the economic-integrationist agenda have a more detrimental effect on these disparities than the 'Cambodianized' elements of the reform programme? Looking beyond structural adjustment, has it been economic liberalization, a firmly entrenched political culture, or perhaps the legacies of Cambodia's turbulent past – which have left a disproportionate number of households headed by women, a disproportionate number of households headed by amputees, and which almost literally denied education to an entire generation – that have provided for the endemic spread of poverty in contemporary Cambodia? These questions remain unanswered, and it is therefore the case that the jury cannot yet retire to consider a verdict on the effects

of the medicine of structural adjustment on Cambodia, and Cambodian education. What seems clear, however, is that the imperatives of structural adjustment will continue to impact upon Cambodia's future economic and educational development, and that these imperatives will continue to clash with a political elite whose vested interests have rarely been challenged, or even questioned.

Notes

1. It is important that Cambodia's educational infrastructure, facilities and materials and teachers' salaries from this period be put into perspective. While schools dotted the country, they had no electricity (even in Phnom Penh), and few materials. Teachers were comparatively well paid because they all worked overtime. The teaching allotment for secondary schools in Phnom Penh was 18 hours per week, with teachers being allotted an extra 6 hours per week for which they were paid significant overtime rates. From these salaries, teachers often had to buy their own teaching materials (chalk, blackboard duster, teaching aids, etc.). Geoffrey Coyne (teacher in Phnom Penh, 1969–1970), personal communication, 17 June 2000.
2. The French orientation of the PRK curriculum stemmed from the fact that those Cambodians who were charged with curriculum development during the period had no other frame of reference from which to develop a curriculum, except their recollections of that which was in place prior to the Khmer Rouge revolution.
3. A further sign of the direction of educational reform was the 1988 decision to repeal the ban on the private teaching of French and English (Ablin, 1991, p. 27).
4. The government's business deals, which have been finalized without any consultation with the National Assembly, have included a GST exemption given to the garment manufacturing industry (a loss of US$12 million in government revenue), and the decision to grant the Sokimex company the right to collect entry fees to the Angkorean temple complex for a fixed annual return of US$1 million to the government – with 120,000 tourists visiting the complex last year, more than $US4 million in potential revenue (more than one third of the health budget) was surrendered.
5. A similar scenario characterizes the health sector. While each Cambodian spends approximately $20 per year on health, the government spends approximately $1.50 per person (Van Pelt and Sok, 1998).

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9
Globalization, Structural Adjustment and Contemporary Educational Reforms in Australia: The Politics of Reform, or the Reform of Politics?

Anthony Welch

The key questions posed to contributors to this volume centred on the relationship between economic globalization and educational reforms – how far, if at all, and if so in which ways, were the principles and practices licensed by structural adjustment influential in the reform of education? And to what extent did educational reforms contribute to wider processes of structural adjustment? While it is evident from the international literature in education that structural adjustment has had distinct effects on key questions of educational reform (Arnove, 1997; Boron and Torres, 1996; Reimers, 1991; UNESCO, 1996; Welch, 2000a, 2001) and on society more generally, over the last decade or two of the twentieth century, it is equally clear that national contours significantly affect the extent to which such principles and practices are implemented, as also their effects. Not merely is this a question of the extent to which historically contingent practices such as corporatism (see below) can simply be imported into very different national contexts (Beeson, 1997; Katzenstein, 1985; Kreisler and Halevi, 1997), it also throws into relief one of the key debates underlying the globalization thesis: the extent to which the state can and should intervene effectively, to mitigate the effects of what can broadly be termed the structural adjustment process, especially in an era of heightened international competitiveness, global markets, and the enhanced mobility of international capital.

As important, however, is that any implementation of such policies raises difficult and contentious questions of social priorities, in particular the extent to which conceptions of the economic good are to super-

sede those of the social good. As Pusey puts it in his classic analysis of Australian society in the midst of such a transformation:

> reality has been turned upside down . . . the social good [has become a] buried discourse [replaced by ideologies of] 'rights, efficiency and choice'. What wins is a kind of 'dephenomenalising' abstraction that tries to neutralise the social contexts of programmes in every area, whether it be education, industry support, public health or water resource management.
>
> <div align="right">(Pusey, 1991, p, 10, 11, 166)</div>

The core of 'economic rationalism'[1], then, as Pusey terms this theoretical complex, is 'the domination of social policy by the language and logic of economics' (Welch, 1997a, p. 5), particularly of a positivist form, which purports to be scientific, and hence imperiously asserts its right to determine the answers to complex questions of social policy, in all fields.

In education, as in other policy arenas, the relative weighting of social and economic concerns is sometimes seen as a contest between 'quality', a major concern of structural adjustment proponents, and equality. But this false polarization depends on a rather specific notion of quality, often seen in the literature in terms of economic indicators such as student–staff ratios, proportions of students progressing from one stage to the next, year-by-year attrition rates, or movements in quantitative, and at times arbitrary measures of literacy (Freebody and Welch, 1993; Welch, 2000a). While there is no doubt that several of these ratios are of fundamental importance to some forms of quality education, less often evident in such indices are the expressed aspirations of local people (Abu Duhou, 2000; Youngman, 2000), close considerations of the pedagogical relationship itself, and the extent to which such notions of quality can reasonably embrace the whole population. Indeed, often located within such notions of 'quality', are tendentious and fissiparous proposals about the introduction of user-pays principles, which impose the greatest penalties upon socially marginal families and individuals, least able to afford the fees entailed. The imposition of such fees on the poorest in society immediately calls into question the extent to which such notions of quality are really intended to be extended to all the population. Indeed, one of the clearer effects pointed to over the last two decades or so of the twentieth century, in numerous contexts where the dictates of structural adjustment have been followed, is a substantial widening of the gap between

rich and poor, including in education. (Arnove, 1997, 2000; Borron and Torres, 1996; Welch, 2000, 2001). Fundamental to questions of quality in education, then, is 'whose quality is this?', and 'quality for whom'?

> Certainly, notions of quality are inextricable from the dominant set of values and form of culture in a society – which means that constructions of quality are socially indexed – they change over time, and vary according to political and cultural context. To give only two, rather obvious examples . . . what comprised good quality schooling under the regime of the Shah was deemed wholly inadequate and inappropriate in post revolutionary Iran. What is thought to be good quality education by the Israeli authorities in Palestine is strongly resisted by Palestinians struggling to assert their own educational vision.
>
> (Welch, 2000, p. 5)

Although it is probably fair to say that most analysts of structural adjustment reforms have located arguments as to their effects, and merits, in the Third World, analysis of the outcomes associated with the imposition of structural adjustment regimes is by no means limited to Third World contexts. Latin America, Africa, and parts of Asia, it is true, are often used as examples of the imposition of structural adjustment programmes, both in education and more broadly throughout society. Studies of the effects of such regimes often point to a widening social schism in society, an increasing polarization of societies into 'two nations', of rich and poor. In other words, analysis of changes revealed clear evidence of a worsening in measures of equality in society, over the time during which structural adjustment measures were introduced (Arnove, 1997; UNESCO, 1996; Watson, K. 1996; Welch, 2000, 2001). What this raises, *inter alia*, is the extent to which measures of 'quality' ought also to embrace measures of equality, rather than contribute to their decline. For this to occur, however, adult illiteracy rates, class, ethnic, geographic and gender disparities, the proportion of street and working children who avail themselves of at least some schooling, proportions of children who never really attend school, or the extent to which pregnant teenagers attend, need to be included, indeed must come to be seen as key to any understanding of quality[2]. Equally, the extent to which schooling genuinely meets the needs of such dispossessed groups, and contributes to their attaining employment and other such measures of success, must be a further key test of quality. It follows that the failure to embrace the needs and aspirations of dispossessed groups in society, must be seen as a loss, not merely in terms of equal-

ity, but just as importantly, in quality, since it fails to draw upon the talents and abilities of all in society, whether rich or poor, rural or urban, black or white. Such a failure, although rarely reckoned within mainstream economic calculus, clearly represents a huge loss to society, and the individuals concerned, in both financial and human terms.

It follows from the above that measures of quality that focus only on the culture and experience of the privileged, while often seen as unproblematic in past centuries[3], cannot really be said to be adequate in a new millennium, apparently characterized by an increased understanding and acceptance of difference. But how well was this supposed increase in the acknowledgement of difference reflected in changes in national and international economic orders?

Australia reconstructed – or deconstructed?

The first thing to recognize in this argument is the increasingly intertwined nature of domestic and international economic frameworks, a major feature of economic changes of the past two decades or so, especially in the Australian case. Rejecting the protectionist path which had characterized much of Australian economic history, successive governments of the early 1980s, whether Labour (Social Democratic) or Liberal (Conservative), moved strongly and consistently in the direction of financial deregulation, something which ceded significant control over domestic economies to international influences:

> With the abandonment of exchange controls and the general movement towards floating exchange rates, the maintenance of any controls over international financial markets became an impossibility. Contrary to some predictions, this trend undermined, rather than enhanced, national control over domestic financial systems.
>
> (Quiggin, 1996, p. 12)

Indeed, globalization effects have only exacerbated this loss of national autonomy with respect to the direction of economic policies in at least two senses. The first is that the agenda of economic globalization and structural adjustment was itself international, and in Australia's case, derived substantially from the influence of both US and UK reforms undertaken from the 1970s (such as the deregulation of the airline industry in the USA and the privatization of many formerly public services in the UK).

Secondly, the impact of new communications technology, moves towards the internationalization of production (Strange, 1996), the

impossibility of any one state controlling the flows of currency in and out of its borders, and the absence of international controls, has led to 'unfettered global capital mobility' (Held *et al.*, 1999, p. 231). In effect, this means that international investors and currency speculators, possessed of the most recent information about the actions of governments, and other investors, can move trillions of dollars from one market to another at a keystroke, thereby seriously destabilizing local and even other currencies (Held *et al.*, 1999). Indeed, the dramatic example of the stampede of such investors and speculators out of markets in Thailand, South Korea, Malaysia and Indonesia clearly exacerbated the regional economic crisis of East Asia in 1997, thereby making a bad situation much worse (Held *et al.*, 1999).[4] The net effect of such international influences is that 'governments tend to adopt risk-averse, cautious macroeconomic policies seeking to second-guess the reactions of global financial markets, and to secure their approval' (Held *et al.*, 1999, p. 230).

The past two decades have also seen the progressive and substantial reduction of tariffs, which had traditionally shielded Australian industries from many of the effects of international competition, but which both major parties were committed to reduce to five per cent by 2000. The effects of the reduction in tariffs has been quite dramatic, for example in industries such as textile, clothing and footwear, where thousands of workers lost their jobs, and much manufacturing was either moved overseas, or is often now dependant on so called 'outworkers' (the latter often meaning in practice, poorly paid piece work, undertaken by newly arrived migrant women, without the protection of unions, health and safety provisions, limits on hours, etc.). Steel and automobile production were also dramatically affected, for example.

The wider regime of financial deregulation, and floating the Australian dollar (in 1983), was soon followed by highly dubious lending practices, especially to 'get-rich-quick' financiers, and several high profile financial collapses ensued which impoverished many small investors. Despite considerable evidence that financial deregulation had gone too far, or perhaps too fast, further policies associated with structural adjustment were implemented. Reductions in tariffs, together with the encouragement of new technology and its effects in the workplace, has been accompanied by substantial deregulation of the labour force, an increasing stance in favour of individual contracts over awards negotiated by trade unions (particularly by the current federal Liberal government), as well as by the progressive restriction of the 'government's role as a producer of many basic services, including education, health and welfare' (Quiggin, 1996, p. 2).

Effectively, what has occurred over the past two decades or so in Australia has been the progressive withdrawal of the social safety net, elaborated gradually over the course of the twentieth century, particularly in response to the two World Wars, and the Great Depressions of the 1890s and 1930s, and through which no individual, no matter how poor, whether residing in rural areas, or migrant or Aboriginal was supposed to fall.[5] Indeed, in a country of such size (7.6 million square kilometres), with a small and scattered population (still only around 19 million at the end of the twentieth century), it is hard to conceive that the infrastructure of communications, transport, health and education, which Australians take for granted, could have been developed without the conscious and long-term intervention by the state[6]. Thus, as Quiggin points out:

> the early achievement of an essentially democratic state encouraged the view of government as an instrument for the achievement of shared social goals, rather than a dangerous power to be hedged around and controlled.
>
> (1996, p. 19)

This was in line with a long-standing, and strongly held Australian sentiment, expressed in terms of a broad mistrust of 'scientific economics and (still more) scientific economists'. According to this view, Australians did not see themselves as always subject to the dictates of international trade, 'which knows no rights, but only necessities. Australians have never felt disposed to submit to these necessities. They have insisted that their governments must struggle to soften them, or elude them or master them' (Hancock, 1961, pp. 66–7). By contrast, the role of the Australian state over the past two decades, has been progressively restricted. Public enterprises have either been privatized or made to compete as though they were themselves private competitors, tariffs reduced, and powers of centralized wage determination significantly diminished. Broadly, this has been in line with Australia's transformation from that of a 'welfare' state, whereby it played a key role in establishing and maintaining a form of shared social contract (on the basis of which, citizens, in return for their labour, occasional defence activities, and social and community obligations, were seen as entitled to good quality, publicly financed health, education, and welfare provided by the state), to that of a 'competition' state (Cerny, 1990; Yeatman, 1993), where the only justification for intervention by the state was in order to enhance the competitive position of the national

economy. Indeed, international competition is now the most commonly used stick used to drive the Australian economy and its supposed need for even more productivity, with relatively fewer resources in industries of every kind, including education. Although the Australian public has repeatedly shown its dissatisfaction with such policies, 'Do more, with less' has become the catch-cry of the past two decades or so in public and private industries, including education. Opposition is often countered by invoking the mantra of what has come to be termed TINA: 'There Is No Alternative'.

The assertion of this brash new agenda could well have been expected to call forth substantial opposition on the part of trade unions, despite the fact that it was largely promulgated by the Labour Party, traditionally an ally of organized labour. In fact, the need for reforms was so widely pressed, and seen as so pressing by so many, that the reform agenda was largely accepted by the key trade union confederation, the Australian Council of Trade Unions (ACTU).[7] The key reform charter of this period, *Australia Reconstructed* (AR), subsequently described as 'the most detailed proposal for the development of a social democratic alternative yet applied to Australia' (Editorial, 1997, p. 1) grew in part from a joint government, trade union, and business study tour of Northern and Western Europe.[8] It was arguably both an outcome of and response to the tensions in the so-called Accord of the 1980s between unions and the federal Labor government, which embodied an attempt to manage, or mitigate the inequalities inherent in capitalism: 'making Australian capitalism work 'better' so that the fruits of sustained economic growth could be shared with the workforce, and the society at large' (Stilwell, 1997, p. 40). This corporatized vision of Australia's future, whereby labour, industry and government cooperated in restructuring the Australian economy along post-Fordist (Amin, 1994) principles[9], was clearly influenced by Swedish and German models of cooperative endeavours[10] (however inappropriate to Australian traditions, and economic structures), although it has been argued that AR had little direct influence upon the Australian federal government of the day.

One of the key elements in the document sprang from a recognition that trade and industry policy and education policy intersected in important ways. This post-Fordist plank in the overall policy platform argued that Australia lagged behind those European nations with which it generally compared itself, which 'have actively sought to promote and enhance competitiveness and productivity within their industries via a cooperative and integrated approach to skill enhancement and efficiency in industry' (*Australia Reconstructed*, 1987, p. 89, see also Bryan,

1997; Keating, 1992; Mathews, 1989; Welch, 1997a). This broad-based approach to economic, social and educational development, which was an important part of a push towards making Australia a 'knowledge based economy', also promoted substantial investment in research and development, and the establishment of a National Development Fund which would supplement other investment funds by devoting up to 20% of the holdings of superannuation funds. A National Employment and Training Fund was further proposed, whereby both public and private enterprises could re-draw up to 80% of their contributions to this fund, to finance training and employment schemes, to which unions also agreed. With hindsight, the simultaneous support by the union movement of the deregulatory economic policies of the Hawke and Keating federal governments, on the one hand, and its embrace of the overtly interventionist agenda implied by AR, now seems paradoxical, even schizophrenic.

The extent to which the principles of post-Fordism were actually implemented in education policies of the subsequent decade or more, as well as some of the significant contradictions, will be seen in part below in the two examples of education reform.[11]

Globalization, structural adjustment and education

If the above analysis and data reveal the outlines of some of the major transformations in Australian society and economy wrought by the last two decades or so of globalization and structural adjustment, what have been the principal effects in education? If the argument above holds water, similarly fissiparous outcomes are likely to be seen in educational reforms of the past decade or two, and it is to socio-economic effects in education that one must look initially for evidence of structural adjustments, particularly in terms of the capacity of agendas based on economic globalization to either contribute to social and economic equalities, or to widening schisms, both in educational institutions, and more generally in society. It is thus to indices of change in Australian society and education, such as widening gaps between rich and poor occasioned by restructuring, effects upon rural and urban students, or Aboriginal and non-Aboriginal students, that our attention will be initially directed. This will then be succeeded by analysis of two examples, that of reforms in higher education, and in schooling policy. The actual and possible role of the Australian state in intervening to promote, or mitigate, the implementation of an agenda based on economic globalization and structural adjustment, will finally be considered in line with

the recognition, argued above, that 'nationality continues to matter' (Beeson 1997, p. 59; see also Held *et al.*, 1999, pp. 227–35; Hirst and Thompson, 1996). Clearly, for example, not all educational reforms in all states, even among advanced capitalist societies, have moved in the same direction, or with the same speed, in the face of globalization (Currie, 1998, 2001; Currie and Newson, 1998; De Angelis, 1996).

As with the introductory chapter, this is not to argue that cultural or political accounts of globalization lack merit or substance, nor is it to discount the evidence for these dimensions of globalization. It is rather to argue that it is principally socio-economic changes in the education workplace; policies and practices to mitigate the worst effects of economic restructuring; changes with respect to the inclusiveness of education; and the effects of educational reforms on social equality, that are of cardinal importance in understanding globalization effects in education. Hence it is these which this chapter will examine as benchmarks for the influence of globalization and structural adjustment.

While distance does not always lend enchantment to the view, hindsight often imparts a distinct clarity to the vision. Any overall assessment of trends in Australian education of the past two decades or so, during which time the structural adjustment ideology has largely ruled, must yield substantial cause for concern in terms of socio-economic effects, and equity. Levels of overall and youth unemployment (the latter in the context of steep rises in school retention rates) rose sharply: whereas until the 1970s, overall unemployment levels were well below five per cent, by the mid-1990s they had risen to around nine per cent (Welch, 1997a) despite a fall in real wages, and an intensification of working conditions for many. Effectively, what happened paralleled observed effects in several other societies, developed and developing, that, over much the same period, were under the influence of similar economistic agendas. Principal effects were the increasing division of society into 'two nations': a small group, whose wealth increased substantially, and a growing group of unemployed, and/or impoverished. Groups in the middle have become increasingly squeezed, as real wages have fallen, especially in the public sector.

Fuelled by the disappearance of much of the traditional youth labour market, youth unemployment levels also rose dramatically – to about 25% among those not in training – and remain very unequally distributed among the population.[12] Subsequent efforts to reduce these unacceptably high levels, which have crippled the life-chances of too many young Australians, have not been very successful. The effects of restructuring of the adult labour market, a product of the wider economic

restructuring of Australian industries sketched above, together with the intermittent recessions of the past two decades, has left ever-increasing numbers of mature age workers unemployed, especially those with fewer qualifications (Freeland, 1991, 1992; Welch, 1997a). Meanwhile, it is clear that among both teachers and academic staff, the intensification of work, together with the increasing demands of internal and external accountability, worsening salaries and working conditions, including student staff ratios, has fuelled the significant loss of experienced staff who, disheartened at the erosion of pay and conditions, are either retiring early or accepted jobs overseas (SMH 2000a, 2001).

The persistence of stark disparities between success rates of Aboriginal and non-Aboriginal students in education (and hence major differences in employment prospects), despite a national inquiry which marked out clear strategies to redress many racist policies and practices (Johnston *et al.*, 1991; Royal Commission, 1991; Welch, 1997a), is another blight upon the reform process in Australia, including in education. While it is clear that this profound problem has its origins in certain forms of Australian racism which were imported, along with much other colonial baggage, some two centuries ago (Hartwig, 1972; Welch, 1997a), and is thus not the product of restructuring, there is evidence to show that key reforms (and in some cases non-reforms) of the last two decades have not helped. Despite the acknowledged success of bi-lingual programmes, and so-called 'Two-Way' schools in the Northern Territory, for example, (where teachers and the curriculum are drawn from both Aboriginal and non-Aboriginal cultures, and the expectation is that children will become adept at each), the government there moved to withdraw funding from bi-lingual programmes, largely on cost grounds. On much the same basis, the Howard federal government moved to outlaw 'block funding' in 2000, which underpinned the participation of rural Aboriginal students, often women, in further education and training programmes, often urban based. Most damning has been the substantial failure to implement the recommendations of the *Royal Commission into Aboriginal Deaths in Custody* (1991), unquestionably the most comprehensive investigation of the grounds for Aboriginal disadvantage in recent history, and subsequent reports that drew on these findings (Johnston *et al.*, 1991; Social Justice, 1992). The Royal Commission pointed out that not merely did Aboriginal participation in education and training lag far behind non-Aboriginal participation levels, (especially at the post compulsory levels, where the latter was five times higher for certain categories of participation – Welch, 1997a), but that there was a clear link between low literacy and education levels

among Aboriginal prisoners, and their disproportionate rates of incarceration. Despite these worrying findings, some years later a formal evaluation, by the Federal Social Justice Commissioner of the energy with which the detailed recommendations resulting from the Royal Commission had been implemented, reported that:

> There is no sense of urgency . . . my people are still being arrested, imprisoned and dying in custody at an unacceptable rate, and no sense of urgency that every day, hundreds of more children are being born into a life of crippling disadvantage.
>
> (SMH, 1994)

The above reforms, and non-reforms, are argued here to be indicative of a broader culture of economism in Australian society over the past two decades or so, whereby the social landscape, including in education, has been substantially reshaped by the logic and machinery of restructuring. The fissiparous effects of this restructuring have been felt in most if not all areas of social policy, including transport, communications, health, and welfare. Deeper and wider chasms have been opened up between rich and poor in Australian society, between rural and urban dwellers, between Aboriginal and non-Aboriginal Australians, between recent migrants and longer term residents. Two more extended examples will now be addressed, which examplify this trend towards economism, in greater detail.

Two examples of education reform

In making the case that an agenda of economic globalization and restructuring, has been influential in shaping the direction of contemporary educational reforms in Australia, it has been argued that such reforms are reflective of wider changes in the character of the Australian state. That is, as indicated above, the terms of the social compact alluded to in earlier sections of this chapter, are being substantially renegotiated, although it must be said that the negotiations are rather one-sided – most of the proposals are coming from governments, and being more or less stoutly resisted by much of the population, who are increasingly resentful of the impact of this new agenda. Indeed, the insistence with which economic restructuring is being implemented, over popular resistance, reminds one of the riposte by the great German playwright Bertolt Brecht who, after the East German workers' revolt of 1953, at the introduction of new, higher production targets (and its subsequent

bloody suppression), responded in his poem 'The Solution', 'Would it not have been simpler for the government to have dissolved the people, and chosen another?'.[13]

The other point to be borne in mind is that, however corrosive the effects of restructuring have been on Australian society over the past two decades, the roots of social schisms based on class, gender and ethnic/racial difference in Australian society are much older (Connell and Irving, 1980; Hartwig, 1972; Welch, 1997a). It is thus not being argued that economic restructuring was responsible for the origins of chasms in Australian society, but that it is certainly responsible for exacerbating such differences.

School finances – from public to private

The financing of private schools in Australia has been a vexed issue through much of its history, and has been intimately connected to relations between church and state for much, if not all, of this time. While historically, Australia has had a relatively larger private system than most OECD nations, the shape of this settlement has often been contentious, provoking bitter disputes at key periods. Despite the political nature of this division, it is fair to say that both major political parties are hostage to the private sector, albeit in different ways, and thus that changes of government are increasingly less likely to yield major changes to the ever-increasing funds made available by governments to the private sector. It is argued here that the changed contours wrought by economic globalization and structural adjustment upon the policy landscape in Australian education, and more broadly in society, over the past two decades, has made any significant retreat from the practice of increasing subsidies to the private sector even less likely.

Iconic elements of Australian national identity, hinging upon notions of 'fair go', and equal opportunity have long echoed strongly in Australian society. In fact, however, Australia has always been riven by class differences (Connell, 1977; Connell and Irving, 1980), including in education (Connell *et al*., 1982; Connell, White and Johnston, 1991; Larson, 1986; Miller, 1986; Welch, 1997a). Indeed, it has been argued that the long-standing existence of a 'two nations' society of rich and poor was in part sustained by differentiated schooling systems. While the nineteenth century can be seen as a progressive struggle against the ideology of 'For every class we have a school assigned, Rules for all Ranks, and Food for every Mind', the persistence of a class-based schooling system for future leaders of Australian society into the more

democratic twentieth century is harder to accept. Even more is this the case for the two decades or so at the end of the twentieth century, after a period in which it had seemed, for many Australians growing up in post-war Australia, or for the growing band of migrants who had fled war's aftermath in Europe for a new start in a new land, that hard work did seem to bring its own rewards. Indeed, for many of these migrants[14], the chance of a better education than was possible in the old country, where class-based systems of schooling still persisted, was a powerful incentive for migration.

The first thirty years after WWII were characterized in Australia, as in some other developed economies, by a long boom, in which demand for labour remained strong, and despite a swiftly growing population (increasing through this period by one per cent by natural increase, and a further one per cent by migration), unemployment hovered around one per cent or so. In this circumstance, it was often not necessary to mark oneself out by attendance at a wealthy private school in order to succeed in life. Indeed, the mere possession of secondary schooling was a mark of distinction in the immediate post-war years. Together with the fact that for much of this era, the almost century long settlement, which held that private schools must not be funded by governments, this meant that the private sector remained small, and, arguably, the individual rate of return on investment in private schooling also relatively small. This is not to argue, however, that the overwhelming proportion of the Australian elite, still strongly white, male and Anglo, did not continue to be drawn from graduates of these wealthy and exclusive schools.[15]

Nonetheless, the fact that the post-war settlement in Australian society embraced public housing for many, a publicly funded health system, and, crucially, a well established system of public schools, charged with providing good quality education to all, meant that cleavages of wealth and class were, in general, less profound than in the USA, for example, and rather more like Germany or Scandinavian states, which also adopted similar measures, enshrining the notion of the social wage (Whiteford, 1993). Rates of home ownership in Australia were at this stage among the highest in the world.

From the mid-1970s however, this pattern began to break down in important ways. Intermittent economic recessions, arguably related to the growing internationalization of the Australian economy sketched above, and some of the changes this wrought, left increasing numbers of Australians unemployed, and for longer periods (Freeland, 1992; Welch, 1997a). The extent of poverty rose substantially over the 1980s

(Connell, 1991; Saunders and Matheson, 1991), and intensified among those least equipped to resist. Child poverty, for example, rose to alarming proportions, despite specific programmes, and public pronouncements by politicians, aimed at ending it: by the early 1990s, some 600,000 children were living in families where neither parent was employed, and child poverty rates were three times higher than in Sweden or Germany, exceeding almost every developed country, with the exception of the USA:

> Recent estimates show that almost half of all single-parent families, (overwhelmingly female ARW), one quarter of all renters and similar proportions of those aged under 24 were deemed to live in poverty. The prospect of a genuine, sizeable and reasonably permanent underclass developing in Australia (in addition to Aboriginals . . . who . . . have always occupied this position, is very real.
>
> (Welch, 1997a, p. 189)

It has been estimated that some 25% of full-time jobs occupied by Australian males disappeared between 1970 and 1990 (McKay, 1993), while the proportion of the total unemployed that were defined as long-term (i.e., of more than one year's duration), rose to over 40%. At the other end of the socio-economic scales, the wealthiest benefited most from taxation policies and other elements such that the familiar pattern of the final two decades of the twentieth century, evident in many parts of the world where structural adjustment programmes have been implemented, was reproduced. The gap between rich and poor increased, such that the wealthy became even wealthier, while the poorest suffered most, and significant elements of the middle class were pushed into something closer to poverty.

The fissiparous nature of these changes is no accident. Policies which progressively restructured the economy, exercised disproportionately harsh effects on the marginal in society, including Aboriginal Australians, urban and rural poor, recently arrived migrants, single parent families (largely female, as indicated above) and, in the context of the much-touted 'knowledge society', the less well educated – overwhelmingly drawn from the groups listed above. By contrast, the middle class was increasingly enabled to exercise more 'choice', including in education.

In this context, the cleavage between public and private schooling not only came to be charged with greater political significance, but was increasingly deepened by specific policies introduced by state and

federal governments of either hue, who progressively diverted funds from the public to the private system, from at least the 1970s. As indicated above, it was always the case that the products, largely male, of the small number of wealthy and socially selective private schools had exercised a disproportionate influence in the Australian elite (Connell, 1977; Peel and McCalman, 1992).

As mass secondary schooling became a phenomenon of the 1960s and 1970s, the long-standing settlement that private, denominational schools not be funded by government, was breaking down. With hindsight, the move by the incoming and reformist Whitlam federal Labor government of 1972 to fund all schools on a needs basis, whether public or nominally private[16], while not the first of such moves[17], can be seen to have substantially shifted the balance in favour of private schooling. From that point, Australia enshrined a

> two tier system of publicly funded schools: state or government schools, which are free and provide for around three quarters of the population; and private or fee-paying schools, which receive amounts ranging from 40% to over 90% of their running costs from governments, state and federal.
>
> (Anderson, 1990, p. 89)

The two decades since the mid-1970s have seen funding to private schools rapidly outstrip that of public schools[18], and the ongoing tinkering with the Education Resource Index (ERI) during the 1980s[19] clearly did introduce some distortions. Partly as a result, the New Schools Policy was introduced in 1985 as a means to regulate the founding of new private schools, while a cap on funding available to new non-government schools was introduced in 1988.[20] With some modifications, and a review, this system remained in place until overturned by the incoming Howard Liberal (conservative) federal government in 1996.

At this point, what had been implicit for years became explicit, as the following interview with federal Minister (David Kemp) revealed:

> We have to realize . . . that parents who send their children to non-government schools are saving taxpayers a vast amount of money – about two billion dollars a year, more than that . . . and that money is then available for the funding of government schools.
>
> (Kemp Interview, 2000, p. 6)

In other words, school funding policy was now being driven explicitly by the conviction that making substantially increased funding avail-

able to 'private' schools was nonetheless cheaper for the state than fully funding government schools.[21]

Here, arguably, lies the core of the restructuring agenda in education: making more choice more available to the wealthier minority, at the cost of lost resources and wholesale loss of quality to the public schools which the majority of the populace attended, then as now. Although the stated rationale for the policy change was given by the then federal minister, David Kemp, as the provision of an 'improved choice of schools for their children' (Kemp, 1996, p. 2), in effect it quickly came to be seen by many as a policy that would increasingly residualize the local government school, whose resources would be increasingly drawn away, and devoted to schools for the wealthy.

In order to hasten the move to the private sector, neither state nor federal governments did much consistently to counter the increasingly hostile and often senzationalized stories appearing ever more frequently in the media, which pointed to the shortcomings of public schools, and hence mainly succeeded in provoking further flight from their ranks by anxious parents. Indeed, it would have been difficult for governments to do much to publicly repel such attacks, given that it was state and federal governments that had largely helped denude the public sector schools of much needed resources.

The most recent moves in school-finance policies have been, unarguably, the most egregious. The now notorious Enrolment Benchmark Adjustment (EBA) is the first of these. Introduced in 1996 by the incoming federal Liberal (conservative) government, over substantial opposition, it moved to systematically divert funding from public schools to private, underpinning the shift of enrolments from one sector to the other with government financing. The rationale for the changed funding policy was that each child who moved from a government to a non-government school would save the state government (constitutionally responsible for schooling) the sum of $3,424. The Commonwealth thus moved to provide only half of this amount to the states, in each such case. Thus each student moving from a public to a private school would result in $1,712 being withdrawn from the state's budget available for schools. In addition, the Commonwealth moved to retain the sum of $406, which they paid to support each pupil in the government school system, in each state. Thus, for every child that moved to a non-government school, a total of some $2,118 was to be withdrawn from Commonwealth funds to the state. This money could then purportedly be devoted by the Commonwealth to help finance private schools.

At least one of the state governments was to characterize this as evi-

dence of 'some 'distancing' by the Commonwealth about its responsibilities for the future development of public schooling' (NSW DET, 2000, p. iii), and pointed to the

> effect of the EBA on public confidence in the integrity of the Commonwealth's commitment to public schooling. The EBA reveals indifference by the Commonwealth to the needs of students in public schools.
>
> (NSW DET, 2000, p. iii)

It must be said, however, that such attacks by state Ministers of Education upon their federal counterparts, represent at best gross opportunism, at worst arrant hypocrisy, since state government support for non-government schools has risen even more disproportionately than Commonwealth funding over the past twenty years or so.[22] There is little doubt that 'the states . . . are using the current brawl over private schools to conceal their own failures' (*Australian*, 2000a). At the same time, fears about the likely effects of the EBA on state government schooling systems are warranted, indeed, the effects of reduced Commonwealth funding to state school systems were effectively to induce state governments to 'encourage students to transfer to non-government schools' (Watson, L. 1996, p. 14). While it still too early to assess the affects of the EBA, initial projections were that enrolment drift to private sector schools was likely to increase – from about 29% of the total to 31% in the years immediately after its introduction – and there is some evidence that this indeed began to occur. The most populous state of New South Wales (NSW), for example, saw the rate of enrolment drift to private schools increase slightly in 1997, after the introduction of the new funding arrangements (SMH, 1998). Some 76 new private schools were opened in NSW in the four years after the EBA policy was announced (SMH, 2000e and f), numbers of which were low-cost Anglican schools, often in areas where few non-government schools had previously existed.

Unquestionably, state and federal ministers will continue to shift the blame between themselves for the drift of enrolments to the private sector (SMH, 2000e, *Australian*, 2000a and b), just as they will continue to try to shift the costs. There is equally no doubt that the change will underpin a substantial rise in enrolments to private schools, at the cost of denuding the already hard-pressed government school sector of much needed resources.[23] Also unarguable is that it is parents who are ultimately carrying the additional cost burden occasioned by declining

government support for public schools. Thus while government spending on education as a proportion of gross domestic product (GDP) has declined over the last half of the 1990s, it has been more than compensated for by increased spending by parents.[24] Given that it is the wealthiest parents who are in the best position to spend extra funds, since it is they who have the largest discretionary incomes, it is hardly surprising to find that in the wealthiest suburbs of Sydney 'almost two thirds of students in the eastern suburbs now attend private schools' (SMH, 2000e).

Here is revealed an element of the ideology of global economic restructuring, in that the emphasis on reducing the extent of state involvement and expense, and the correlate need on the part of parents to increase their contributions, highlights the very differential effects on equity. Depriving neighbourhood government schools of much needed funds has a far greater effect on poorer communities, who are less able to replenish absent funds, than upon wealthier communities, who are able to either supplement school budgets, or who can afford the choice of moving their children to the private sector. Introducing moves towards 'user pays' schooling, or greater contributions from households, or individuals, simply shifts the burden of provision and imposes the greatest burden on those least able to pay. The lie of 'free choice' is hereby exposed (Gewirtz, Ball and Bowe, 1995; Gillborn and Youdell, 2000) – the added choices accorded the wealthier sections of the community are in fact being purchased at the expense of the poorer members of the community – whose ongoing choice of the local public school is now penalized by the poorer resource levels resulting from the EBA programme.

The second and most recent change to be implemented is the so-called Socio Economic Status (SES) model, which was advanced by the federal government in 2000 as a new means to finance some thirty per cent of private schools (*Australian*, 2000b).[25] Under this model, the average SES[26] calculated for people in a particular region is used as a basis for funding private schools in that region (SMH, 2000b, c, d). The fly in this particularly smelly ointment is not hard to discover – and has been pointed out by many (SMH 2000b, c, d). The egregious effects are perhaps most clearly highlighted in country areas, where, although average incomes are often low, it has been a long-standing pattern for wealthier farming families to send their children away to elite and expensive boarding schools, either in major cities or in larger, regional educational centres. It is precisely these schools that will benefit grossly from the new funding formula advanced by the SES model, since their

funding will be based, not on measures of actual wealth among those specific families whose children attend, but rather upon a statistical community average. This average – a composite index derived from the demographics of a region, in which the majority of lower incomes will yield an artificially low result – poorly reflects the actual wealth of the individual family whose child attends such elite schools, and hence their capacity to pay. This composite index is nonetheless preferred over a model based on the existing levels of resources available within the school, or on the actual income levels of parents whose children attend such schools. Not only is this an egregious misuse of statistics under cover of promoting choice, it also again reveals the socially regressive effects of the ideology of choice, promoted within an overall agenda of economic globalization and structural adjustment.

The statistical problem is highlighted in the following:

> The average Australian has fewer than two legs. Not many fewer but, as the number of one-legged people far exceeds the number of three-legged people, there is no doubt about the end result. Not surprisingly though, designers of products, from pants to staircases, don't focus on the average. Rather they tend to focus on the characteristics of the majority.
>
> Not so the Federal Government, though. Its attempt to explain why exclusive private schools are to receive millions of dollars in additional funding have relied squarely on the confusion that blind reference to averages can create.[27]

<div align="right">(SMH, 2000d)</div>

The arrant duplicity of the federal government's reliance upon this composite index is highlighted when it is recognized that, for almost all other recipients of federal government assistance, actual details of income are a prerequisite. The socially regressive nature of the model becomes even clearer, in two further aspects of the programme. Firstly, private schools were promised that 'the new funding model is only applied if it would result in an increase over the old model' (SMH, 2000d), thus effectively guaranteeing the existing levels of resources available to already wealthy private schools. Secondly, while the federal minister promised when introducing the programme, that not one cent would be lost to the public schooling system, the likely outcomes give the lie to this promise. The additional $50 million supplied under the model to wealthy private schools must needs come from somewhere – in practice then, they would need to be financed via a rise in taxation

(extremely unlikely, given that globalization and structural adjustment agendas focus on reducing taxation levels) or from reducing spending on public services, including public schools.

Higher education policy

Just as the evolution of Australian schooling policies shows a reduction in state support for public schooling over the past two decades, with a commensurate shift of resources to the private sector and an increased reliance upon communities, families and individuals to fill the spending gap vacated by the state, so too government spending policies in higher education further exemplify some of the same structural adjustment influences. In some similar ways, too, these reveal some of the contradictions of structural adjustment.

In an even more overt manner than for schools, contemporary rhetoric regarding the post-Fordist knowledge economy lays stress on the key role of higher education and research as a sine qua non. That this can be a double-edged sword has become increasingly obvious to hard-pressed academics over recent years, as they struggle to defend their work in anything other than economic terms. Nonetheless, it may seem as though the assumption that international economic competitiveness depends on rising numbers of highly educated graduates, prima facie, serves to guarantee solid state support for higher education. That this has evidently not occurred requires some explanation.

Clearly, higher education is an expensive business. Then again, as struggling educators have long remarked, ignorance is even more so. Nonetheless, over the past two decades or so, higher education funding has had increasingly to compete against myriad other government funding priorities such as transport, communications, health and welfare, many of which equally assert their indispensability to the future of economic growth. Many of these same sectors have also experienced similar funding shortfalls over the past two decades or so, which have altogether left a dangerously corroded national infrastructure. Opposition to these cuts were often widespread, even within the very governing parties vigorously pursuing their implementation, as the following widely publicized speech by a recent Deputy Prime Minister reveals:

> I am most concerned that in pursuing these reforms we do not find ourselves driven by the apostles of financial stringency to the point where we enter a downward spiral of under-investment, leading to services failing or being run down to the point of no return. There

is a danger that in the narrow pursuit of financial objectives we not only defer new infrastructure equipment, for example, but put off the necessary maintenance and replacement of existing investments.[28]

(Welch, 1997a, p. 23)

In universities, which in Australia, unlike the USA, are almost all publicly established and financed institutions[29], it is not hard to point to indicators of such declining infrastructure over the past decade or two (Sheehan and Welch, 1996a and b; Welch 1997c; Winter, Taylor and Sarros, 1999): worsening student–staff ratios, aging research infrastructure, increasing difficulties faced by university libraries in purchasing journals and books (as well as in paying staff, maintaining the existing collection, and the libraries' range of services), the declining frequency and increasing size with which smaller classes where work can be discussed (known in Australia as tutorials) are held. Staff morale and job satisfaction has declined over the past decade or more, the intensification of work has increased stress levels (Winter *et al.*, 2000), leading increasing numbers of staff to either take early retirement, or leave for greener pastures, often overseas (SMH, 2000a, 2001).

As part of a push to supposedly make universities more self-standing, pressure has increased upon institutions to broaden their funding base, which as indicated above, was traditionally almost entirely public. As the gap widened between swiftly growing enrolments, and the increasing unwillingness of the state to fund such increases (especially with full, rather than marginal, funding per student), the proportion of overall institutional funds from central government has declined steeply. From a position only two decades ago or so, when almost the entire amount of an institution's operating budget came from central government, in the form of a block grant, many universities now receive little more than half their total budgets from this traditional source. This has put major strains upon institutional planning and resources. Since a major part of Australian universities budgets consists, as elsewhere, of staff salaries, the steep decline in the proportion of funds available from central government has thus been paralleled by a precipitous decline in proportions of teaching and research staff who are tenured – from more than eighty per cent in the early mid-1980s to less than sixty per cent only a decade later (Sheehan and Welch, 1996b).[30] Staff–student ratios have also declined markedly over the same period.

This relentlessly increasing pressure on costs has led Australian universities down at least two principal paths in an effort to supplement income foregone from central government operational grants – targeted

research and competitive grants; and full fee-paying international students (Shinn, Welch and Bagnall, 1999; Welch, 1997c, 1998b; Welch, 2000b; Welch and Denman 1997). Both of these strategies however, have significant limits and dangers, as the following analysis, focusing on research funding and infrastructure, reveals.

The picture with regard to total research and development (R&D) expenditure is anything but rosy, especially in relation to the proportion contributed by business. As Australian is only a modest sized economy by international standards[31], it cannot be expected that Australian contribution to world R&D expenditure would be all that large. However, at only about one thirtieth of the level of the USA, Australian investment is not merely modest, it is barely more than that spent by IBM alone (Innovation Summit, 2000, p. 12). Not merely, as Table 1 reveals, is overall R&D expenditure by Australia as a percentage of Gross Domestic Product significantly lower than the EU average (indeed much more like Slovenia's), but, giving the lie to the insistent rhetoric regarding the dependence of the knowledge based economy on research and education efforts, 'our R&D intensity has fallen in recent years, running counter to the OECD trend' (Innovation Summit, 2000, p. 12). What is even more worrying is the poor relative showing by Australian business, a long-standing problem in Australia. Figures reveal that the proportion of total R&D contributed by Australian business is 'markedly lower than the OECD average (ranking seventh lowest out of 24 OECD nations), and is falling while the average for the OECD continues to rise' (Innovation Summit 2000, p. 12). Tables 2 and 3 show the relative standing of Australia and other OECD nations, in relation to business investment in R&D; both as percentage of GDP, and over time.

Australia's business expenditure on R&D as a percentage of GDP was also reviewed by the Innovation Summit, in relation to other countries, mainly from the OECD. This comparison further underlined Australia's poor performance, with a rating of seventh lowest among twenty-four countries. Whereas, of all 24 countries surveyed, Sweden spends most (some 2.7%) of its GDP on R&D for example; the comparable figures for the USA are 1.9, Germany 1.5, UK 1.25, and Canada 1.25. Australia's percentage at 0.8 is, by any measure, extremely low: less than all major developed economies, with the exception of Italy. Equally, its performance over time, relative to its OECD comparators, gives no greater confidence, with a showing not merely consistently much lower than the OECD average, but one which has fallen sharply since the mid-1990s, in opposition to the OECD trend. (Innovation Summit, 2000, p. 13).

Table 1 Research and development in Australia, Japan, USA the EU, EU candidate countries and the Russian Federation

Country	R&D expenditure (million ECU)	R&D expenditure as % of GDP	% of R&D by business sector	R&D personnel 94–98 growth rate (by head count in %)
EU 15	141,200	1.86	63.7	+3.7
Bulgaria	65	0.59	18.7	-31.8
Cyprus	19	0.23	13.9	–
Czech Republic	630	1.27	64.6	+21.2
Estonia	29	0.62	19.6	–
Hungary	285	0.68	38.4	+3.8
Latvia	24	0.45	21.0	-11.8
Lithuania*	55	0.57	1.8	-3.1
Poland	1,022	0.73	41.5	+8.8
Romania	184	0.50	76.7	-12.3
Slovak Republic	156	0.86	65.8	-0.7
Slovenia**	228	1.42	53.0	-4.2
Russian Federation	2,303	0.93	69.0	-22.7
Australia***	5,640	1.49	48.2	+3.9^
Japan	102	3.03	75.0	+3.5^
USA	202	2.58	77.0	+0.2^

1. * 1996–7 data for growth rate of R&D personnel
2. ** 1997 data. 1994–7 data for growth rate of R&D personnel
3. *** Calculated at A$1.56 : 1 EURO
4. ^ 1993–6 data for Australia, 1991–3 data for Japan and the USA
5. Compiled from Eurostat (2000) (March) *Statistics in Focus, Research and Development*; R&D expenditure and personnel in candidate countries and the Russian Federation in 1998: OECD (1999). *Science, Technology and Industry Scoreboard* (*Benchmarking Knowledge Based Economies*); Background material: Innovation Submit (2000) *Unlocking the Future*
6. Data for 1997: Australian data 1998–9, OECD data 1991–6

As a major component in the overall research effort within Australia (particularly given the relative absence of business investment in R&D, noted above), the higher education sector is particularly vulnerable to the shifting sands of government research support. Given these well-known low levels of business investment in research, it is therefore crucial that government support for research is at least maintained, and if possible expanded. It is particularly telling then, to report that, once again, international comparisons underline that Australia's effort has been flagging:

> In contrast to Australia, other countries, including Canada, Finland, France, Germany, Japan, Singapore, the United Kingdom and the United States, have recently announced significant increases in their level of public investment in research.
>
> (Innovation Summit 2000, p. 15)

While the USA, for example, has increased federal funding for research and development by some 53% from 1993–2001, and the UK has substantially increased R&D funding, including for university infrastructure, Japan committed itself to doubling its investment in basic research over the years 1996–2000. Nations as diverse as Finland, Ireland and Singapore have all responded vigorously to the perceived need to invest more in R&D (Chief Scientist, 2000, pp. 20–25).

This relative absence of Australian support for research at the national level is carried over into the institutional level. Thus, adding to this depressing picture painted above are data which show the modest size of research grants, and rates of funding success, relative to other developed nations, as revealed in recent studies:

> By international standards, support provided by the ARC for competitive research grants is low. The ARC supports only 20 percent of applications under its flagship scheme for basic research. By comparison, the National Science Foundation in the United States funds 31 percent of grants and in the United Kingdom, between 20 percent and 41 percent of applications are funded.
>
> Furthermore, the average size of ARC grants for basic research is $55,000, an amount which is inadequate to meet the full direct costs of the research. In the United States, the average size of successful grants is equivalent to A$169,000, while in the United Kingdom grants range between A$192,500 and A$432,500 (including funding for research infrastructure) . . . it is imperative to increase support for

national research grants schemes . . . funding available for ARC competitive grants (should) be doubled over five years.

(Innovation Summit, 2000, p. 15)

Declining real levels of support have also meant a substantial problem relating to research infrastructure, a long-standing concern in Australian universities (Welch 1997c). This embraces not merely an increasing inability to fund laboratories and replace equipment at regular intervals, but also the progressive culling of subscriptions to professional journals, and an increasing difficulty in sustaining book orders.

A declining proportion of funding is being spent on new capital items, and the number of journal and monographs being purchased by research libraries has declined. For example, in 1990–1991, universities spent just over 16 percent of their research and development on fixed assets, such as land, buildings and other capital items. By 1998, this proportion had declined to below seven percent. Now it is estimated that universities and public research organizations typically spend only five percent of their total budgets on new capital items, which is barely sufficient to cover the rate of depreciation.

(Innovation Summit 2000, p. 16).

The committee which delineated the depths of problems in research infrastructure believed the urgency of the issue to be so great that they proposed dramatic remediation – an immediate rise of either 50 per cent, or two thirds in government infrastructure funding, over the next five years.[32]

Conclusion

If the evidence drawn from studies of structural adjustment programmes in education in other parts of the world is any guide (Arnove, 1997; Boron and Torres, 1996; Reimers, 1991), such fears are not without substance: indeed, such policies of extending educational choices available to the few, at the cost of the many, are part of a wider ideological agenda:

In practice, the implementation of such programmes denotes the introduction of more regressive taxation policies, sharply reduced public sector spending in areas such as welfare, housing, public transport, food subsidies, and public schooling, (but notably not other major areas of public sector spending, such as defence), and policies

to de-regulate the labour market (a euphemism for anti-trade trade union policies, lax health and safety standards for workers, and inadequate wages and conditions, including salary freezes, especially in the public sector).

(Welch, 2000, p. 15)

As indicated above, the informal compact upon which Australian social policy has been based for most of the last century is more like that evident in the social democratic regimes of Germany or Scandinavia than the USA. Nonetheless, what is significant is the social and political platform inherent in the restructuring agenda. Indeed, those developed economies where this agenda has been implemented more vigorously and swiftly, such as the UK and New Zealand, have often been strongly cited as indicative of the direction which Australian society should take, including in education, over the past two decades or so. The fact that such rhetoric is still able to be used, despite the abundant evidence manifest in those societies (see Gilborn and Youdell, 2000; Robertson and Dale, 2000) of the regressive effects of policies, is indicative of the persistent power and persuasiveness of the ideology of economic globalization and restructuring (Welch, 2001b). The mantra of international economic competitiveness is still used as an ideological weapon to drive through reforms in diverse areas of social and economic policy, whether industrial relations or education, often regardless of the social effects. The fact that with the exception of one small, racist fringe political group, all major political parties in Australia only vary in the extent to which they pledge to implement this agenda is indicative of how far the political landscape has been reshaped in Australia over the past two decades or so.[33]

To some extent, what is becoming evident is that this is a further stage in contemporary political discourse about the state which has, for at least thirty years, pointed to the corroding legitimacy of the modern state (Habermas, 1976; Offe, 1993). According to state theorists of left and right, there are significant tensions within the modern capitalist state which are increasingly difficult to resolve. Theorists such as Habermas and Offe characterize the process as one of the increasing impossibility for the modern capitalist state of attempting to sustain its legitimacy, including through agencies such as the education system (Codd, 1990), while presiding over the dismantling of the welfare state, and the regressive effects of this dissolution. Theorists of the right also point to what is termed the 'crisis of democracy' (Crozier, Huntingdon and Watanuki, 1975), albeit characterizing its aetiology very differently.

More recently, analysis has focused on the dismantling of the welfare state, and its replacement by what has been termed the 'competition' state (Cerny, 1990; Yeatman, 1993), in which via strategies such as devolution, and steering at a distance, the state systematically diverts its direct responsibilities for social cohesion and equality, including in education (Marceau, 1993; Smyth, 1993; Weiler, 1982, 1983a and b; Welch, 1997a). Within the competition state, the compass of government intervention is much reduced, being only provoked by the need to enhance economic competitiveness rather than wider social concerns. While the real problems for governments who pursue this agenda flow from the dangers of overdrawing their legitimacy with the populace (leading political leaders of left and right to lament that this is a difficult time to be in government), the dangers for the people are arguably more profound and immediate. The loss of the commitment to equity of the post-war era in the Australian social and political system, and the progressive abandonment of the state's role in achieving this goal, has had the most profound effects on those least able to withstand its effects – marginal groups, notably Aboriginal Australians, rural and urban poor, and recently arrived migrants.

Deeply unpopular as these 'reforms' have been, the inherent difficulties of opposing this political agenda are seen when the Australian populace regularly votes out of office political parties committed to its implementation – only to see their replacement by another major political party, largely committed to its furtherance. There is little doubt that the frustrations of being unable to vote for a major party that stands against globalization and structural adjustment agendas has fuelled the rise of small, fringe political parties in Australian in recent years.

The effects of structural adjustment policies in education are seen starkly in the two instances addressed above. School funding policies over the past two decades have, in the name of quality, seen a substantial diversion of resources from the public system to the private. This has led, not merely to the progressive pauperization of the mass schooling system that still caters to 70 per cent or more of all Australian children, and which still nonetheless attempts to fulfil its longstanding charter of providing high quality education to all, irrespective of wealth, ethnicity, geographical location, or other forms of difference; it has also led to more resources being given to wealthy private schools, thus effectively subsidizing the educational costs of those in Australian society with the greatest levels of discretionary incomes who can most afford to pay for such privileged schooling. The increasingly overt justification for such iniquitous, inequitable policies is that it is cheaper

for the government to subsidize schools where parents pay some of the costs, than to provide the total costs of public schools. Although such baldly economistic reasoning is in tune with the overall thrust of structural adjustment policies – which stress the increasing reduction of government responsibilities, both for funding and to some extent for regulation – the increasingly fissiparous effects on Australian social cohesion, and identity, are increasingly evident, albeit not within the accounting formulas of government planners.

It is a particularly savage irony that appeals to quality are often deployed to justify such policies. Rhetorical claims by ministers of education to be fervent supporters of a high quality public schooling system, capable of producing a highly literate and skilled workforce that will lead Australia to a bright and shining economic future, are now widely seen as increasingly hollow. The reality, by contrast, is experienced by worried Australian parents, who daily witness the increasing inability of their neighbourhood school to provide a full curriculum or replace aging equipment, as well as the progressive demoralization of its staff, who rightly protest at the ongoing decline in their conditions of work, and the general absence of adequate support from government.

Rhetorical appeals to quality are also evident in higher education, consistent with the overall ideology of structural adjustment. Again, however, the speciousness of such rhetorical claims is revealed by the evident declines in quality experienced at a quotidian level, by staff and students of Australian universities, over more than a decade. No amount of additional efforts by university staff (whether academic, library, technical, or administrative) can ultimately mask the real decline in staff–student ratios, the increasing inadequacy of Australian university libraries, the aging of its infrastructure, and failing levels of support for research.

While the fact that brash ministerial claims of building a 'world class' or 'world best practice' system of education are widely revealed as false by researchers, and daily experienced as such by parents, students, and educators at all levels of the Australian education system, the persistence of such rhetorical appeals is evidence of their ongoing ideological potency. As at the beginning of this chapter, one must pose the questions: 'What kind of quality is this?' and 'Quality for whom?'. Internationally, the wide gap between the claims of marketeers in education, bent upon structurally adjusting, or globalizing schooling and university systems, and their socially regressive effects are increasingly evident, from Latin America to Africa,[34] in developed and developing economies alike (Welch 1997b and c, 1998a, 2000b). A form of education which degrades free, public systems of schooling and higher education, and

transfers the responsibility for making up for the ongoing removal of state resources, to parents, who are expected to pay rising fees for what was previously an entitlement, can only have one result: a substantial loss of equity and community in society. Effectively, higher quality for the rich is being purchased at the expense of a major loss of quality for the poor.

The recent rise of rhetoric about a 'Third Way' in Australian politics and society (Giddens, 2000; Latham, 1998; Tanner, 1999) has helped to legitimate these policy shifts, if at times after the event. Prime Minister John Howard's rather sudden, energetic espousal of corporate and community philanthropy, community (SMH, 2000g) and social capital (Putnam, 1995, 1996, 2000), is arguably such an instance. Not only did this new found espousal of 'community' and Third Way philosophies occur only shortly after its elaboration by social–democratic leaders such as President Clinton in the USA, Prime Minister Tony Blair in the UK (Blair, 1998), and Chancellor Gerhard Schroeder in Germany, it even employed much the same rhetoric, notably the alleged capacity of 'mutual obligation' to overcome tensions between social rights and responsibilities, or between capital and labour. Indeed, more recently, this rhetorical shift has evoked similar responses in several of the countries listed above, notably by social agencies such as churches, who express increasing concerns that they are being moved to the centre stage of social welfare provision, (rather than acting as complementary welfare agencies), as the state increasingly resiles from this role (Cronin, 2001; Shanahan, 2000). It is pertinent to note too that the enunciation of this policy shift transpired at the very time when the Howard government was coming under more sustained attack for failing to provide basic infrastructure, including in education.[35] Despite criticisms, the shift was still apparent in social policies, including those pertinent to education, although it was also recognized that changes needed to be made, notably to the tax system, to cultivate a more fertile environment for philanthropy to flourish:

> Hard data comparisons show that philanthropic donations as a percentage of GDP are significantly higher in the United States than they are here (double in the private non-profit sector). In the United States, innovators and business benefit from many tax and other incentives for philanthropy. In Australia, the incentive environment for philanthropy for R&D is more limited by comparison to that for culture and the arts.
>
> (Innovation Summit, 2000, p. 18)

Discussions about the merits or otherwise of the so-called Third Way have done little to disguise the real effects of implementing contemporary education policies on the Australian social fabric. It is here that the question, raised at the beginning of this chapter as to the role of the state in mitigating the effects of structural adjustment, is again highlighted. Creation of innovative social and community coalitions involving government in new alliances with which to address problems of poverty and inequity in society may yield substantial results if the net level of resources, financial as well as others, are increased. And there is some potential benefit in tapping underutilized community skills and resources, especially perhaps in a country such as Australia, where these skills and resources have not always been fully garnered or valorized. This however, is very different from contemporary government strategies of using community agencies such as churches and others, to staff and run government programmes which have borne the brunt of budget cutting and staff losses. Such an agenda – consistent with adjustment ideologies to reduce the roles and responsibilities of the state, especially for social programmes, and transfer the responsibilities for social success or failure to the community, family, or the individual – has real benefits for the state, however, in reducing the extent to which it can be held responsible for equity and cohesion in society. It also in part risks co-opting such churches and other community agencies into tacitly supporting this social agenda, however, impinging upon their autonomy, and transforming them into quasi agencies of government, as they themselves have pointed out.

Purposeful attempts to fashion an education market, as envisaged by contemporary policy agendas based on economic globalization and structural adjustment, effectively entrench class privilege, leading to the increasing destitution of those marginal groups at the base of the economic pyramid – Aboriginal Australians, rural and urban poor, recently arrived migrants. At the top of the pyramid, those with the greatest ability to pay for schooling are further advantaged, based on the maxim – never acknowledged within such programmes but starkly evident in their effects – 'To Him who hath, Is Given'. Within higher education, the reduced willingness by the state to fund enrolment growth, and research, including infrastructure, has seen a progressive weakening of capacity in higher education, resulting in the effective reduction, rather than the much touted strengthening of system quality, and Australia's international competitiveness.

As in other parts of the world where such policies have been implemented over the 1980s and 1990s, the overall outcomes have yielded a

substantial transfer of wealth and privilege: some few Australians have become much wealthier, while the poorest sections of the community have lost income, and sections of the middle class pushed into poverty. At the same time, vital social, cultural and economic institutions, such as public schools and universities, have been sadly weakened. It is here that the regressive, fissiparous heart of economic globalization and structural adjustment policies in education is starkly revealed, as the following quote regarding a neighbouring nation, which pursued this agenda even more vigorously than in Australia, reveals:

> It is New Zealand's great distinction to serve as a laboratory for what happens when the post World War II systems of informal protection are completely removed and firms, workers and society are thoroughly exposed to the market. As at the turn of the century, the untrammelled operations of the market brought with it the breakdown of established communities, a concomitant fragmentation of identity and thus finally new social pathologies.
>
> (Review Essay, 1999, p, 121)

Notes

1. Economic rationalism broadly equates with the more widely used term internationally, neo-liberalism, but draws more specifically upon the work of German critical theorists, notably Jürgen Habermas.
2. In Brazil, for example, it has been estimated that some fifteen per cent of school age children are unenrolled, a figure that rises to some thirty five per cent in impoverished rural areas, while in Africa, almost forty million children remain unenrolled (UNESCO, 1996; Welch, 2000a). Worldwide, it is predicted that the total number of unenrolled children will rise from less than 130 million in 1990, to more than 160 million by 2015, largely a result of demographic projections (World Bank, 1995a; Welch, 2000a). Adult illiteracy rates; which already reflect gross disparities of class and gender (Arnove, 1997), are also predicted to rise, especially among women (Watson, K. 1996).
3. But not universally, of course. See *inter alia*, Hans, N. (1949), the critique of the elitist French system of secondary schooling: *Comparative Education. A Study of Educational Factors and Traditions* (London: Routledge & Kegan Paul); Williams, R. (1961), critique of the 'selective tradition' in his *The Long Revolution* (Penguin), and the later *Marxism and Literature* (1977) (Oxford: Oxford University Press). See also Bourdieu, P. (1971). 'Systems of education and systems of thought', in *Readings in the Theory of Educational Systems* ed. Hopper, E. (London: Hutchinson); as well as his cultural reproduction and social reproduction (1973), in Brown, R. ed. *Knowledge, Education and Social Change* (London: Tavistock); 'Symbolic power' (1977), in *Identity and Structure: Issues in the Sociology of Education* ed. Gleeson, D. (Driffield: Nafferton Books); and his joint work, with Passeron, J.-C. (1977). *Reproduction in Education. Society, and Culture* (London: Sage); as well as Robert

Connell's critique of ruling class schools: Connell, R. *et al*. (1982). *Making the Difference. Schools, Families and Social Division* (Sydney: Allen & Unwin).

4. Indeed, Held *et al*. argue that one of the effects of the internationalization of modern financial markets, and the wired nature of financial transactions, is that effects of the failure of specific banks in one system can trigger a form of economic 'chaos theory', that has effects not only on the rest of that system, but on currencies in countries far removed from the problem. Once again, this herd mentality is associated with the fact that currency speculators, and investors in derivatives, are ultimately driven by the twin motors of either greed or panic. While the East Asia crisis provoked some discussion about the need for greater transparency in financial transactions, and more effective surveillance mechanisms, no state wishes to undermine its competitive position by having more regulatory mechanisms than its peers (see Held *et al*., 1999, p. 234).

5. This is not to argue that no individuals fell through the safety net, as any examination of the on-going plight of Aboriginals in Australian society, including in education (Royal Commission, 1991; Welch, 1997a) clearly reveals.

6. '. . . in a huge continent with a small population, only governments had the resources to undertake capital intensive enterprises such as the construction of railway systems' (Quiggin, 1996, p. 19).

7. Albeit over the opposition of several more militant unions, who saw its implementation, notably the reduction in real wages, and job losses in key industries, as clearly inimical to the interests of their members, and involving unions being coopted into structural economic changes which privileged the interests of capital over labour (Stilwell, 1997). Such tensions, among partners to the Accord grew, over time, and successful resolutions of these tensions would have meant extending the terms of the social contract alluded to above.

8. In particular, the group visited the UK, Norway, West Germany, Sweden, and Austria.

9. Although even in those states the principle of domestic compensation to labour, in order to offset the pain of restructuring, is coming under increasing strain, in a more global era, where both capital and production are internationally mobile (Strange, 1996). In Australia, contemporary analysts such as Mathews were often criticised for failing to weigh the effects of reductions in real wages, the substantial job losses, and the intensification of work, occasioned by such restructuring: Mathews, J. (1989) *The Age of Democracy. The Politics of Post Fordism* (Oxford: Oxford University Press).

10. Although the Australian tradition lacked the broad-based social compacts of German and Scandinavian nations, and had arguably more in common with British patterns, where little history of such cooperation in macro and microeconomic reforms existed. This may also have explained substantial employer opposition to, and subversion of, such progressive programmes as the Training Guarantee Levy, whereby firms were levied an amount of 1%, in order to finance skills based training for workers.

11. Stilwell admits the tensions inherent in pursuing a national approach to economic development and reform, in the 'context where capital is increasingly mobile internationally' (Stilwell, 1997, p. 44), although points to potential resolutions, such as establishing a National Development Fund, put forward within AR.

12. This rise needs to be seen in relation to steep rises in overall school reten-tivity. Youth unemployment rates are even higher for certain sub-groups, notably Aboriginal Australians, and in certain regions, often rural, or where local industries such as steel, shipbuilding, or auto manufacturing, were hit hardest by the effects of restructuring.

13.

Nach dem Aufstand des 17 Juni	After the uprising of June 17
Ließ der Sekretär des Schriftstellerverbandes	The Secretary of the Writers Union
In der Stalinallee Flugblätter verteilen	Distributed leaflets in Stalinallee
Auf denen zu lesen war, daß das Volk	On which could be read, that the people
Das Vertrauen der Regierung verscherzt habe	Had forfeited the trust of the government
Und es nur noch verdoppelte Arbeit	And could only re-win it through
Zurückerobern könne. Wäre es da	Re-doubled efforts. Would it not have
Nicht einfacher, die Regierung	Been simpler, for the government to
Löste das Volk auf und	Dissolve the people
Wählte ein anderes?	And chosen another?

Brecht, B. Die Lösung. *Gesammelte Werke*. Bd. 10. S. 1009f.   (Translated by Anthony Welch)

14. Including the author's parents.
15. As repeated examinations of *Who's Who in Australia* revealed.
16. Anderson terms them, more accurately, 'state subsidized', Anderson, D. (1990) 'Values, religion, social class and choice of school', *Schooling and Society in Australia. Sociological Perspectives* (Canberra: Australian National University Press).
17. In 1964, the federal government had introduced direct aid to all schools, including non-government, for the purposes of technical education, and separately, for science laboratories and equipment.
18. The respective changes to federal funding between 1975/6 and 1982/3 were an 87% increase to 'private' schools, compared with a fall of 24% in funds to public schools (Smart, D. Public–private school funding policies in Australia, 1983–1986', in Boyd, W. and Smart, D. (1987) *Education Policy in Australia and America* (New York: Falmer Press). Sharply disproportionate funding increases have continued, even in periods of recession. Spending per pupil in non-government schools rose by 30% from 1998/9 to 1993/4, compared with less than 9% for government schools.

19. The ERI was an attempt at developing a needs index: it placed each private school in one of twelve categories, based on levels of wealth, for purposes of federal funding allocation. See *Review of the New Schools Policy* (Canberra: AGPS) (McKinnon Report).

20. While the link between poverty and education had long been known (Fitzgerald, 1976), the 1970s introduced programmes to mitigate such effects (Connell, White and Johnston, 1991). By the late 1980s, research showed what was widely known – that social class effects on educational participation were deepening. Government research showed systematic disparities in regional participation, or example, especially completion of secondary school. (DEET, 1987).

21. The degree of duplicity here should not be overlooked by readers since, as indicated, real funding to government schools has not been increased at all as a result.

22. Figures show that, for the period 1974/5 to 1994/5 Commonwealth support per student rose from $238 to $510 for government schools, in constant 1994/5 dollars, compared with a rise from $665 to $1,886 for non-government schools. This represents a rise of 114% and 184% respectively. For states, the comparable figures are $2,478 to $3,543 for government schools, and $381 to $949 for non-government schools, representing increases of 43% and 149% respectively. (Watson, L. 1996 'The federal budget and schools', unpublished paper, Canberra: Australian National University).

23. Federal government projections show some 37,000 pupils in NSW alone moving from government to non-government schools between 1996 and 2004.

24. Thus, while government funding has declined, the total proportion of education to GDP has nonetheless risen from 5.0% to 5.2% over the six years prior to 2000.

25. The model only applies to a minority of schools, since a separate deal was made with the Catholic sector, by far the largest private provider.

26. SES is a composite index, comprising elements of income, occupation, and educational attainment of people in that region.

27. In statistical terms, the difference is expressed in terms of preferring the mean (average), over the mode (the most common), as a measure.

28. Howe, B., former deputy Prime Minister in the Keating government of the mid-1990s.

29. Of the 38 universities in Australia, only one or two relatively smaller institutions, such as Bond and Notre Dame, have been established as private universities, and only over the past decade and a half.

30. The proportion has continued to decline, since the cost savings in salaries, and via enhanced institutional 'flexibility' were substantial.

31. World Bank estimates that Australia represents about 1% of the total world economy (Innovation Summit, 2000, p. 23).

32. Most recently, the federal government has responded to insistent pressure from various quarters, including business, and the research community, to increase research funding significantly over the coming years.

33. It is also fair to point to some analogous changes in both Germany and some Scandinavian states over this same period, although as these words were being written, in mid-2001, the German Social Democratic party was excis-

ing all mention of the much touted 'Third Way' (Giddens, 2000), and the 'new middle' from its social and political programmes. It seems clear that this is more a change in rhetoric than substance however.

34. See Welch, 2000a; Arnove, 1997, 2000; Samoff, 1996; Boron and Torres, 1996.

35. Although admittedly such an analysis does not entirely do justice to more longstanding traditions of community volunteerism in Australia. As Cronin points out, for example, in her recent comparative analysis of Net Day in Australia and the USA, the great interest shown by Australians in volunteering to work at the Sydney Olympics held in late 2000 did not arise from nothing, but drew upon such longstanding traditions as the nationwide lifesaver movement, and the Bush Fire Brigades (Cronin, 2001). This leaves (as yet) unanswered the question of the extent to which Australians would be similarly inspired to volunteer to support their local school or university in much the same way, in a society with much less history of local community involvement in education than in the USA.

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10

The New Zealand Education Experiment: From Democratic Participation to Self-Management, and from Universal Welfare Entitlement to Private Investment[1]

Michael Peters

Introduction

Historically speaking, the development of education in New Zealand was shaped and maintained by two ideas central to the welfare state: the ideal of social welfare and the ideal of egalitarian democracy. In return, education contributed to the maintenance of the welfare state and social integration. One of the functions of schooling that was hoped for was at the level of social class and religious and racial integration in providing shared experiences as the basis of community development.

The introduction in 1877 of a 'universal, compulsory, and secular' primary education system in New Zealand reflected the egalitarian principles of early policy makers and was based on a number of historically important rights and claims. The 'positive' rights associated with social–democratic liberalism entailed that a universal and free education was the necessary prerequisite to the freedom of the individual. Such education was to be compulsory for a variety of reasons: children needed to be protected against the individual self-interest of their parents, especially in a white-settler society; a basic elementary education was deemed to be essential to the development of moral and personal autonomy; education, it was considered, should be accessible to all children irrespective of class, race or creed. Such rights underpinned the goals of a democratic society, to ensure its reproduction through a common set of skills and values. Universal and compulsory education thus served the community by addressing social needs. Schools provided students with a common set of values and knowledge, thus helping create the basis for citizenship and the democratic functioning

of society. Schooling also helped lay the foundation for scientific and cultural progress and played an important role in economic and social growth, contributing to creating the conditions for full employment.

The first Labour Government introduced a comprehensive model of the welfare state from 1936. As part of this reform agenda, the state commitment to universal, free, and compulsory education was extended. As expressed by Prime Minister, Peter Fraser's famous statement in 1939:

> The Government's objective, broadly expressed, is that every person, whatever the level of his academic ability, whether he be rich or poor, whether he lives in town or country, has a right as a citizen to a free education of a kind for which he is best fitted and to the fullest extent of his powers.

Universal education would be provided in a package of benefits and services that would be 'non-contributory, universal, comprehensive, and adequate' and which were to be provided by the state 'as a citizen's right, not as an act of charity'. In addition to a commitment to free, universal and compulsory education, at the basis of all welfare policies was the accepted goal of full employment, which it was claimed made possible the dignified self-help of every member of the community.

This welfare ideology was cemented into place during the 1930s and progressively refined thereafter. It prevailed in the New Zealand education system up until the mid-1980s when David Lange's Fourth Labour Government, against traditional union and left-wing affiliations, initiated a complex series of policy changes that restructured both economy and society. In retrospect we can describe these 'reforms' as occurring under the economic ideology of neoliberalism and 'structural adjustment' (see Mok and Welch, and Welch, this volume), although New Zealand developed its own distinctive spin on these principles and policies, and came to occupy a unique place in the world story of neoliberalism. New Zealand was chosen by the World Bank, OECD and IMF as *the* example of successful reform to illustrate the change from a regulated to an open economy.

For instance, David Henderson (1999, p. 5), previously Head of the Economics and Statistics Department for the OECD, argues that 'the extension and exercise of economic freedoms make for closer *economic integration*, both within and across national boundaries' (emphasis in the original). Liberalism, which for Henderson implies restricting the power and functions of governments so as to give full scope for

individual and enterprises, after a hundred years of decline has regained ground in the economics profession, especially after the period of the 1930s–1970s. The economic policies enacted by a variety of world governments on the basis of principles of economic liberalization emphasize a 'strong association between political and economic freedoms' (Henderson, 1999, p. 46). He reviews 'economic freedom ratings' over the period 1975–95 to map the geography of reform, purportedly demonstrating that core OECD countries are all 'reforming' governments. In the so-called 'economic freedom ratings', in Henderson's analysis, New Zealand emerges clearly as the leading reformer, in policy areas privatization and deregulation, trade liberalization, taxation, and labour market reform (before the Employment Contracts Act was repealed).[2]

Historically and symbolically, 1984 represents the end of welfare state ideology in New Zealand, a profound shift in the principles of social and political philosophy, and the promotion of the neoliberal political project of globalization. It signaled that the 'economy' had become an abstract and reified object, no longer part of the society as a whole and no longer subject to socially defined ends. It also initiated a programme of educational reform, which at the levels of early childhood, primary and secondary, has had disastrous social consequences, and at the level of tertiary education has seriously eroded our knowledge cultures. I refer to neoliberal education policy paradigm as 'The New Zealand Education Experiment' (after Kelsey, 1997) arguing that it has involved a shift from participatory democracy to self-management within a quasi-market economy and, in higher education, it has involved a shift from universal welfare entitlement to a model of private investment.

The reform of education in light of broader principles of economic and public sector restructuring, took place quite late in the reform process. Changes to compulsory education in 1988 were initiated under *Administering for Excellence: Effective Administration in Education*, known as the Picot Report, after its chairman, Brian Picot, (Department of Education, 1988a) and *Tomorrow's Schools: The Reform of Educational Administration in New Zealand* (Department of Education, 1988e). Since the introduction of these changes, the system has become increasingly consumer-driven, seriously eroding the notion of education as a welfare right, with the consequence that access and provision of education have become increasingly unequal. The policy regimes in both early childhood education and higher education, followed the so-called Picot model, which contained all elements of contractualism, the ideology of self-management, and decentralization rather than genuine devolution,

that became the basis for the neoliberal paradigm of education reform in the succeeding decade.

The policy context: economic liberalization and public sector restructuring

The reform of education and training in New Zealand must be understood within the wider context of public sector restructuring, and as a subset of the reforms of the state sector based on the same principles, just as the restructuring of the public sector must be understood as a part of the radical structural economic reform embarked upon by the fourth Labour Government (1984–1990). On the whole, this 'experiment' has been both accepted and consolidated by the National and Coalition administrations that succeeded Labour in 1990, only to be partially rolled back by the election of a Labour-led Coalition, under Helen Clarke, in 2000. To be sure, the commitment by the Thatcher and Reagan administrations to monetarism and supply-side economics, and the general move towards economic liberalization[3] by Western governments especially the so-called 'Washington consensus' – provided a global context for structural reform in New Zealand. This international development was reinforced by the rapid dissemination of a particular set of theoretical developments in microeconomic theory (to the control departments of the New Zealand bureaucracy, the Treasury and State Services Commission), emphasizing notions of public choice, contestability and property rights. Public choice theory, originating with James Buchanan and Gordon Tullock (1962) at Virginia, represents a renewal of the main article of faith underlying classical economic liberalism. It asserts that all behaviour is dominated by self-interest and its major innovation is to extend this principle to the status of a paradigm for understanding politics. On this view individuals are rational utility-maximizers, and while it is accepted that the pursuit of self-interest in the market place will yield socially desirable outcomes, similar behaviour in politics needs to be structured and controlled in various ways.

Criticism of the 'Think Big' projects in New Zealand (which emphasized the failure of a huge public investment programme in the 1970s) was ultimately directed at the nature of *direct* government intervention in the economy. This criticism was to be ritually reiterated later with the break-up of the centrally planned economies of Soviet Russia and Eastern Europe. It was thought that New Zealand had performed poorly in terms of productivity and growth since the mid-1970s; there was a record of devaluation, inflation and stabilization attempts, and the ad

hoc development of a set of 'restrictive' regulatory government inter-
ventions since the 1970s (Duncan and Bollard, 1992).

Labour, historically, a party of the welfare state and the regulated
economy with strong and traditional links to the union movement, on
becoming government 'discarded this tradition without warning and
became a party of the New Right' (Jesson, 1992, p. 37). Constitution-
ally, operating on the basis of a 'thin' political system (a two party
system with a single parliamentary chamber and few checks and
balances to the exercise of executive power), the Labour Government
pushed through its reforms at an astonishingly rapid rate based on a
deliberate 'politics of reform' aimed at neutralizing opposition (Douglas,
1989). In the six years to 1990 when Labour was in power it almost
completely deregulated the New Zealand economy: it deregulated the
financial sector; it terminated subsidies for agricultural products and
exports; it abolished import licensing, heavily reduced tariffs, removed
controls on international capital, liberalized foreign investment, and
floated the exchange rate (Duncan and Bollard, 1992, p. 6). From being
the welfare state laboratory during the 1930s, admired by the rest of the
world for the extent of its social provision, New Zealand became in the
1980s the 'experiment' in structural adjustment, was touted as the most
open economy in the world, and referred to in glowing terms by the
World Bank, IMF and OECD.

A review of the role of the state and the 'restructuring' of the public
sector was seen as a necessary part of the wider structural economic
reform. In particular, the new micro-economic theories argued that
state-owned and controlled trading organizations performed poorly
because they were constrained by the institutional environment and
lacked the same incentives as the private sector. From the mid-1980s
the Government pursued a programme of corporatization and, later, pri-
vatization, as twin strategies for improving the efficiency and account-
ability of departmental trading departments. Under these strategies,
social functions were separated out from the commercial functions of
state trading organizations and 'managers' were required to run depart-
ments as successful businesses, which involved pricing and marketing
within performance objectives set by Ministers. The new state enter-
prises, modelled on the private sector, each with its own board of direc-
tors, were required to operate in a competitively neutral environment.
The operating principles were enshrined in the State-Owned Enterprises
(SOEs) Act (1986). Nine SOEs were created from former government
trading departments on 1 April 1987. Subsequently other SOEs were

created.[4] Under this Act trading departments became state corporations regulated by company law, to be run to make a profit and to be as efficient as their private sector counterparts. User charges were introduced for government services purchased from the corporations, and the SOEs, in the newly established competitively neutral environment, were required to pay dividends and taxes. Ministers became 'shareholders', and chief executive officers who have been purposely given the freedom to manage without political interference, must provide a 'statement of corporate intent' and annual reports.

A privatization programme followed corporatization, against an explicit election promise. Advocates of state sector reform had seen corporatization as a preliminary and partial solution (Deane, 1989; Treasury, 1984, 1987). In general, the arguments for privatization centred on alleged operational weaknesses in the SOE model, which arose from differences with the private sector, e.g., no threat of take-overs or bankruptcy, non-shareholding directors, state guarantees and monitoring roles. Treasury (1987), alongside the Business Roundtable, were the strongest voices in favour of privatization arguing that a transfer of assets to the private sector would address efficiency shortfalls of the SOEs, help reduce the public debt, continue the process of 'load-shedding', and aid capital accumulation in the private sector. Opposition to privatization came from a variety of sources. Maori contested the Government's right to sell off public assets under the Treaty of Waitangi, which in 1840 had guaranteed them rights to land, forest and fisheries. Unions not only feared huge redundancies but also critiqued the 'emerging privatized market society' focusing on the way a *political* debate over the role of the state and democracy had been reduced to or subsumed by economic arguments (PSA, 1989).

Labour's state asset sales programme which took place from 1988 to (June) 1990 included fifteen major businesses totalling a massive nine billion dollars approximately. (The sale of Telecom at $4.25 billion in 1990 was the fourth largest global sale that year.) The timing of the sales was problematic. The first sales followed rapidly on the huge stock market crash of 1987 in which a fall in value of over 50 per cent was experienced, and the economy was in a deep recession. Also the valuation and marketization processes were open to question. Sale by treaty and tender followed by negotiation was criticized as a process open to political interference. No full market floatations occurred. Many of the agreed asset prices, it has been justly asserted, were much too low: the assets sold off had been greatly under-valued. It is not even clear to what

extent the level of public debt was reduced through the privatization programme. Whether the sales programme was in the best long-term interests of New Zealand is another matter.

The reform of the remaining core public sector (i.e., the residual non-SOE public sector) including defence, policing and justice, social services such as health and education, and research and development (among others), was based on two major pieces of legislation: the State Sector Act 1988 and the Public Finance Act 1989. Reforms based on these Acts have been described as 'the most far-reaching and ambitious of any of their kind in the world' (State Services Commission, 1991). Christopher Hood (1990, p. 210), commenting on the Treasury's (1987) treatise, *Government Management* – the basis and inspiration for the reforms – described it as 'remarkable', implying that it was vastly more coherent and intellectually sophisticated than its equivalents elsewhere: 'Neither Canberra nor Whitehall has produced anything remotely comparable in quality or quantity to the New Zealand Treasury's "NPM manifesto"'. He cites the cardinal principles of what he terms 'New Public Management' (i.e., a form of managerialism) set in place by Treasury: goal clarity, transparency, contestability, avoidance of bureaucratic or provider capture, congruent incentive structures, enhancement of accountability, and cost-effective use of information.

The impetus for the reforms was economic efficiency and accordingly the reforms 'focused upon generating improvement by clarifying objectives and allowing managers to manage within a framework of accountability and performance' (State Services Commission, 1991, p. 5). The State Sector Act had two main aims: to redefine the relationship between ministers and permanent heads from one based on the Westminster system (e.g., permanent tenure, independently set remuneration) to one based on a performance contract; and to apply similar labour-market regulations to both state and private-sector employment (Scott *et al.*, 1990, p. 153). Where the State Sector Act made changes in industrial relations and in the appointment and employment of senior managers, the Public Finance Act 1989 clarified the meaning of 'performance' in the Public Service by establishing criteria for monitoring. The reforms of financial management under the Finance Act have followed changes adopted in Britain and Australia with two important differences: the first is the distinction between purchase and ownership, and the second is the distinction between outputs and outcomes. The tension between the government's aims as owner of its agencies and its aims as consumer of their outputs can be resolved through the market, i.e., contestability. Chief executive officers are directly responsible for the outputs (the

goods and services) produced by their departments and the ministers are responsible for choosing which outputs should be produced and therefore also the outcomes (the effects of those outputs on the community). The first task of policy advice, according to this model of management, is to identify the connection between the outputs and the outcomes, the trade-offs between different outcomes and the best source for the supply of outputs. The justification for public expenditure is related to the directness and quality of the connection. These two major differences have also influenced methods of appropriation (which are now directly linked to performance), the nature of reporting, and the nature of policy advice (Scott *et al.*, 1990, p. 156).

Neoliberals and advocates of New Right policies in New Zealand increasingly focused their attention on the rising and apparently irreversible tide of welfare expectations. They argued that the welfare state has evaded both investment and work incentives, directly contributing to economic recession. The combined effects of social policies – including guaranteed minimum wages, superannuation, and the growth of spending in health and education sectors – allegedly had strengthened organized labour against capital, augmenting wages as against capital goods. It had also, they claimed, substantially led to increased State borrowings, leading to a decline of profitability.

Neoliberals[5] argued that the so-called 'perverse effects' lead to greater state interventionism in both social and economic terms, but the more the state helps, they argued, the more it will have to help and at diminishing levels of effectiveness. It is alleged that increasing levels of intervention, while leading to the current crisis of an imbalance between state receipts and expenditure, tend in the long term to rob economic liberalism of its vitality. The bottom line is that the perverse effects of economic and social intervention represent to these critics a fundamental threat to individual political and democratic freedom.

While the restructuring of the state under Labour was not restricted to the core public sector – education, health and local government underwent major reorganization – it was with the National Government, which came to power in 1990, that the 'residual' public sector was redefined in terms of a more limited or minimal state. The National Government embarked on the most significant changes to the welfare state since its establishment in the 1930s. The major initiatives have included substantial cuts in benefits and other forms of income support, together with much stricter eligibility criteria, greater targeting of social assistance and changes to the method of targeting, and 'a radical redesign of the means by which the state provides assistance',

particularly in the areas of housing, health care and tertiary education (Boston, 1992, p. 1). While the changes have been justified in terms of the need for fiscal stringency, given the country's high external debt and the failure of the previous policy regime, it is clear that, as Boston (1992, p. 1) notes, the changes 'also originate from a marked shift in political philosophy' which focuses on the question of the nature and scope of the state.

The National Government, in addition, committed itself to a privatization programme and to the corporatization of the remaining public sector organizations, including Electricity Companies, Crown Research Institutes and Crown Health Enterprises. Perhaps, most importantly, the National Government introduced the Employment Contracts Act (1991) which complements social welfare changes in the sense that it was 'decidedly anti-collectivist in philosophy and intent', shifting as it does 'the focus of labour law from the collective to the individual' (Walsh, 1992, p. 59, 64). The Act, designed to liberalize the labour market through deregulation, focuses on six components: 'freedom of association'; enterprise bargaining; personal grievance; enforceability of contracts; strike and lock-out rights; the redesign of the Employment Court; a code of minimum wages and conditions. In general, then, it can be argued that the National Government accepted, continued with and attempted to complete the transformation initiated under the neoliberal ideology of the Labour Government.

The New Zealand Treasury and the restructuring of education

During the 1980s the Treasury came to exert increasing influence on government policy. Their adoption of market–liberal principles influenced the move to a market model of welfare in New Zealand, although their implementation in various reforms and legislation has taken some time and occurred across successive governments. In 1984, the incoming Labour Government received from the Treasury briefing papers that were later published under the title *Economic Management* (Treasury, 1984). This documented Treasury thinking at the time, which was based on neoliberal strategies for improving the New Zealand economy. The implication of such policies for education was to become clearer in 1987. In that year, the Treasury produced for the re-elected Labour Government its brief entitled *Government Management* (Treasury, 1987). This was published in two volumes, with the second devoted to education

issues, setting forth the Treasury's arguments specifically in relation to education (see Treasury, 1987). Here it was maintained that:

- education shares the main characteristics of other commodities traded in the marketplace, and it cannot be analysed successfully as a 'public good' (p. 33);
- New Zealanders are too optimistic about the ability of education to contribute to economic growth and equality of opportunity (p. 8);
- increased expenditure in education does not necessarily improve educational standards or equality of opportunity, or lead to improved economic performance (pp. 8, 18, 39, 130, 132, 141 and 142);
- not only has the education system not adjusted to changed circumstances but it has performed badly despite increased expenditure on it (pp. 6, 16, 18 and 140);
- the reason it has performed badly is because teachers and the educational establishment have pursued their own self-interest rather than those of pupils and parents; i.e., they are not responsive enough to consumer interests and desires (pp. 37–8);
- specifically, the educational system lacks a rigorous system of accountability. There is a lack of national monitoring procedures or of any satisfactory ways of comparing the effectiveness of schools in order to account for the public resources employed (p. 108);
- government intervention and control has interrupted the 'natural' free-market contract between producer and consumer causing bureaucratic inflexibility, credential inflation and hence, educational inequality (pp. 37–9, 41, 132 and 137).

In short, the Treasury argued that state-provided and controlled education meant that education had performed badly and would continue to do so unless changes of a radical sort were implemented. The Treasury sought to buttress its arguments for the necessity of change by reference to 'falling standards' and 'rising mediocrity', and by discrediting the notion of education as a 'public good'. The central issues under review were those of *efficiency* and *equity* in education. In relation to these issues, the key subject-themes on which recommendations were made included:

- school governance, with implications for the administration, management, and funding of schools (e.g., bulk funding and Boards of Trustees);

- the role of the State in the provision, management and funding of education;
- the merits of market or quasi-market models relating to issues such as consumer choice in relation to participation and access in education;
- the nature of education as a public or private good and the respective merits of public versus private provision in education; i.e., whether the benefits accrue to the community or to individuals;
- parental choice, including the issues of zoning and targeted individual entitlements.

In its critique of education, the Treasury drew on the work of research that criticized the inability of the welfare state to adequately distribute resources, especially Le Grand's research (1982 and 1987) which sought to document the distributional failures of the old welfare state, claiming on the basis of empirical data that the welfare state was not redistributive across class lines but that most redistribution is intra-class and over the course of the individual's life time. The Treasury adopted the concept of 'middle class and professional capture' both to criticize the welfare state for its deficiencies of existing welfare policies in terms of egalitarian objectives, and to advocate a shift to neoliberal solutions based on the minimal state and individual choice (see Bertram, 1988).

School reform: from participatory democracy to self-management

The Picot Report (*Administering for Excellence*, 1988), a report issued by the taskforce set up to restructure the administration of primary and secondary education, echoed the Treasury's analysis and recommendations, with regard to education. Its terms of reference were individualist in orientation, emphasizing the concept of consumer choice in education, along with individual competence, cultural sensitivity and good management practices. The Report focused heavily on standard neoliberal criticisms of the welfare state: the Department of Education, as part of the state welfare bureaucratic apparatus, was considered to be overcentralized; decision-making processes were too complex; there was a huge lack of information and virtually no choice in the system; and finally, as a consequence of these factors, the Committee maintained, parents felt disempowered.

The policy solutions recommended by the Picot Committee in large measure reflected the wider political economy of reform, emphasizing,

in particular, the principles devised by the Treasury to reform the core public sector: an emphasis on greater accountability; a clearer specification of responsibilities and goals; devolution of management control and first indication of 'self-management'; the separation of policy advice from policy implementation; the disaggregation of large bureaucracies into autonomous agencies; a greater emphasis of management rather than policy; the development of a performance management system. In general, it was held: that policies which encouraged individuals to make choices for their own good is the best means for achieving welfare objectives; that the way to improve schools is to ensure that they are consumer-driven; that the user should pay; and, that private schools are better than state schools and should be encouraged. These principles and beliefs reflected substantially the theoretical underpinnings to public sector reform in terms of the new institutional economics, public choice theory, principal–agency analysis, transaction cost analysis, and contract theory (Boston, 1991; Scott and Gorringe, 1989).

The main elements of the reform proposals that were to follow as a consequence of the *Tomorrow's Schools* reforms can be summarized in terms of the following principles:

- transfer of responsibility for the control and co-ordination of education away from the state to elected boards, associations and councils;
- transfer of responsibility for employment of staff away from the state to elected local boards;
- transfer of responsibility for the management of assets, property and money spent in education away from the state to institution based boards;
- increased emphasis on the market discipline of 'choice' in the early childhood, primary and secondary sectors, and the introduction of user-pays in tertiary education;
- greater state control over essential educational services in the form of charters, national curriculum guidelines, and assessment procedures.

From 1988, a large number of other reports and policies were produced by government and their various advisory bodies of direct or indirect relevance to the restructuring of education. With the plethora of reports came dramatic changes in the operation and functioning of education at the early childhood, primary, secondary and tertiary levels.

The very notion of education also changed. For the first time in New Zealand's history, the conception of education as a private good partially subject to market conditions (i.e., a quasi-market) became a reality. The central issue of equality of opportunity which dominated the educational debate up until the end of the 1970s gave way to talk about 'efficiency', 'choice', 'competition' and 'accountability'. Schooling would be reoriented in terms of the themes of devolution and efficiency and schools would be modelled on structures similar to that of private business enterprises.

In 1990, the old 'over-centralized' Department of Education was disaggregated or broken up into a number of autonomous agencies, including a new streamlined Ministry devoted only to policy advice, the prototype of the New Zealand Qualifications Authority, and the Education Review Office. As part of a deliberate policy of devolution, a great deal of administration of education was allocated to individual schools. 'Boards of Trustees' which replaced the old Boards of Governors and School Committees became the link, through the Ministry, between the school and central government.

This new structure increased the responsibilities of individual schools at the local community level, although whether it increased actual effective control over key issues in education is more questionable and has been strongly challenged. At a superficial level, the Boards of Trustees were given a whole series of new responsibilities including staff employment, management of the institution's property, and the design and implementation of a 'Charter' (based on a contract). The Education Review Office (ERO) and the New Zealand Qualifications Authority (NZQA) were also established. These changes were instituted through the Education Act 1989, the Education Amendment Act 1990 and the Education Amendment Act 1991. These Acts laid the framework for bulk funding for both teachers' salaries and school operations, revoked compulsory registration for teachers, and abolished zoning for schools. In 1991, a 'user pays' system of student fees in tertiary education was introduced which laid the basis for the later modifications and changes introduced by the National government, resulting in the introduction of student loans.

The reforms appeared to be based on a notion of devolution, with community representation on Boards of Trustees working in partnership with the principal and teachers. This appearance of devolution was bolstered by appeals to the notion of community in the original Picot Report and *Tomorrow's Schools*. For instance, at the district level there was reference to community education forums which were designed: to

represent the interests of the wider community; to identify and gather together the different views; to discuss and settle conflicts of interests; to discuss policy initiatives; and even to initiate policy ideas. At one point the Picot Report states:

> We cannot emphasize too strongly the importance of community education forums. In many submissions to us, we read that one particular sector of education or another did not have the opportunity of finding out the views of others locally and so could not present a community viewpoint to us. Similarly, we were told of syllabus committees and such groups that have had trouble in finding people to represent a broad-based community view. We believe the establishment of community education forums would help overcome that kind of difficulty.
>
> <div align="right">(s. 5.8.4, p. 55)</div>

There is a clear attempt to ensure genuine community representation, the essence of participatory democracy. Besides the community education forums, an Education Policy Council (a national organization of eight members to provide independent policy advice), and the Parent Advocacy Council (an independent body, funded by the state and reporting directly to Parliament) was envisaged. Together with an emphasis on the Treaty of Waitangi and wider provisions for equity in school charters, these appeals to community and public representation seemed to promise genuine devolution and participatory democracy. *Tomorrow's Schools* (1988), for example, graced its opening pages with the following quotation from Thomas Jefferson in both Maori and English:

> I know of no safe depository of the ultimate power of the society but the people themselves and if we think them not enlightened enough to exercise their control with a wholesome direction, the remedy is not to take it from them, but to inform their discretion.

Tomorrow's Schools went out under David Lange's name, then both Minister of Education and Prime Minister. His opening statement as Minister of Education reinforced the appeal to principles of participatory democracy and the importance of investment in education. The community education forums and the Parent Advocacy Council were abolished and many of the original Treaty of Waitangi and equity requirements of the charters have been abandoned.

The originally intended form of *devolution* was never a genuine option, given the political economy of reform established by the Treasury. Its promise of community and participatory democracy was replaced by a form of *delegation*, developed according to principal–agency theory, and the doctrine of self-managing schools. Agency theory was seen as a means of minimizing costs of economic transactions related to the monitoring and enforcement of a set of contracts with agents whose interests may diverge from those of the principal. As delegation, 'devolution' becomes a contract relationship between individuals which is controlled through monitored performance and applying incentives and sanctions to encourage managers to act to meet agreed objectives rather than to follow their own goals.

Against the original policy intent, the Treasury's model of accountability 'reflecting principles of New Public Management' prevailed, with the crucial accountability mechanisms consisting in a set of contractual relationships between the government and chiefs executives of educational agencies and educational providers (i.e., councils and boards). Charters set out intended outcomes and performance objectives measures, and audits of performance are measured against charter objectives.

From the perspective of supporters of the welfare state, or those who subscribe to a notion of democracy like John Dewey (1916), choice proposals have several undesirable effects: they protect privilege; they deny all students equal access to education; they deny all students exposure to alternative social experiences; they limit the community's progress as a democratic community, and they undermine the basis of its integration socially and politically (see also Ball *et al.*, 2000; Gillborn and Youdell, 2000).

In New Zealand, research also attests to the negative effects of quasi-market choice policies on issues of welfare within the community. Wylie (1994) has documented the broad effects of increasing competition under schemes of choice, citing changes in ethnic and socio-economic composition of schools as well as deterioration in the relations between schools. (See also, Dale, 1993 and 1994; Smyth, 1993; Welch, 1997. For the UK, see, *inter alia*, Gewirtz, Ball, and Bowe, 1995; Gillborn & Youdell, 2000.) The Smithfield Project (Lauder, 1994) also documents the negative social effects of choice proposals. For instance, the abolition of zoning in 1991 had markedly increased competition and had significantly affected the rolls and composition of the schools. The overall effects of 'choice' have been to magnify existing trends. Hence a school at the 'bottom of the heap' had almost halved its first-year intake since 1990, while a successful school which served able middle-class students

was increasing its roll rapidly. One of the key findings to emerge from the Smithfield study was that structural social and economic conditions affect individual consumer choices in crucial ways, frequently rendering them completely inconsequential. Where schools experience excess demand for attendance, for instance, it is they, and not the parents or students, who are the *effective* choosers. In a more general sense the Smithfield study also reinforces the point that consumer choices (whether 'voice' or 'exit') must be seen as effectively diminished or enhanced according to financial and socio-economic circumstances.

Such conclusions are also supported by Gordon's (1994) research in relation to the effect of social class on school choice. Her studies concluded that the status of a neighbourhood was a powerful factor influencing school choice. While poorer parents frequently do not have the option to shift their children from one school to another, more affluent parents do. An implication of this trend, says Gordon 'is that within schools, there will be increasingly homogeneous class groupings, while between schools differences will be enhanced' (p. 15). Similar patterns of segregation operate in respect to ethnicity. The class exclusivity of a school's population is enforced through the adoption of 'enrolment schemes' which place limits on numbers, and effectively enable schools to determine which type of pupils they will accept. Hence 'because patterns of residence are themselves linked closely to ethnicity, Maori and Pacific Island students tend to be maintained in schools at the lower end of the market hierarchy' (*idem*). The net consequence of this process is that 'schools at the bottom of the local market tend to lose pupils to neighbouring schools', which, in turn, promotes a 'spiral of decline' (Gordon, 1994, p. 15–16). The issue of access to a school is a very important matter. Under systems of consumer choice, it is clear that it is the school rather than the consumer which effectively chooses its intake. In fact, the freedom presupposed in relation to theories of consumer choice depends ultimately on economic criteria, and in this sense the freedom is 'illusory' as the promises it makes cannot be provided for all within the zero-sum context in which the competitive market choice is structured, the 'freedom' of few is premised on the 'non-freedom' of many.

Higher education in crisis: from welfare entitlement to private investment[6]

The transformation of higher education in New Zealand from a universal welfare entitlement, first, into a private investment in 'human

capital' and finally, to a fully consumer-driven system, has followed a now familiar pattern: a transparent alignment of the university system to reflect the needs of an emerging 'post-industrial' economy, with increasing demands for highly-trained, multi-skilled, tertiary-educated workers; the introduction of new forms of corporate managerialism and the emulation of private sector management styles; the corporatization of the university system; the introduction of corporate and 'ownership monitoring' to reduce the financial risk of the State; an attack on faculty and student representation in university governance and the general attempt to discredit democratic forms of governance on 'efficiency' grounds; the introduction of user-charges, student loans, and the creeping privatization of the system as a whole.

In its brief to government, the Treasury (1987) argued that the education system had performed badly in spite of increased expenditure because teachers pursued their own self-interest rather than being responsive to the consumer needs of parents and pupils, and government intervention had created bureaucratic inflexibility disrupting the natural market contract between producer and consumer. The Treasury concluded that New Zealanders had been too optimistic about the ability of education to contribute to economic growth and equality of opportunity. *Tomorrow's Schools* involved the transfer of responsibility for property management, employment of staff, and control of education away from the State to the institutions themselves or elected boards, with a greater emphasis on the market discipline of choice.[7]

The reform of tertiary education in New Zealand followed a similar pattern, based on the same Treasury principles of public sector restructuring, with the publication of the Hawke Report, and *Learning for Life* I and II in the late 1980s, and the appearance of the white paper, *Tertiary Education in New: Policy Directions for the 21st Century*, a decade later (see Peters & Roberts, 1999). The policy directions offered did not differ greatly from those neoliberal initiatives first mentioned in the Hawke Report: a consolidation of the formula funding model and stronger support to private training establishments; greater emphasis on quality assurance mechanisms; separation of the funding for teaching and research; greater monitoring and accountability; and, perhaps, most troubling, changes to the governance arrangements of tertiary institutions. While New Zealand experienced massive growth of participation rates during the early nineties, this largely self-financed growth of student numbers attending tertiary institutions slowed down in the late 1990s as the weight of the accumulated student debt, standing at three

billion dollars at the end of the century, began to accumulate. New Zealand universities are now, perhaps, the most efficient in the world. They provide a roughly similar education for a fraction of their British and American counterparts and there is little fat left in the system. The trouble is the process has been very punishing to tertiary institutions, especially when the priority (at least under the National Government) had been to prioritize early childhood education. There have been large staff cutbacks and morale is low; overseas recruitment of staff is increasingly difficult because of the comparatively low salaries; many academics have sought jobs elsewhere; class sizes have not been significantly reduced across the disciplines. With a commitment to the so-called 'knowledge economy' this seems like a recipe for disaster, especially when the most influential human capital and new growth theories strongly emphasize investment in higher education and research.

The 'massification' of higher education has been based on new formula funding mechanisms involving an ever-increasing proportion of income from student fees and contestable research funding through the Public Good Science Fund. Even with the diversification of funding sources, universities have struggled to cope financially. The decade of the 1990s was destined to become an era of closure for some departments, especially as the spectacular growth in participation experienced during the early 1990s levelled out and institutions were forced not only to compete with each other in the market for student places but also absorb the cost of providing extra, unfunded, student places, at declining levels of State funding.

The *Report of the Working Group on Post Compulsory Education and Training* (1988) (called the Hawke Report, after its chairman) and *Learning for Life* I & II (1989) identified inefficiency and a lack of accountability as shortcomings in tertiary education. The neoliberal answer was clear: increased competition, the introduction of user charges, corporate planning, the adoption of a managerialist ideology and a private sector industrial relations framework. In other words, the ultimate policy goal was the establishment of a pure market model of tertiary education and a fully consumer-driven system.

Learning for Life, the policy translation of the Hawke Report, strongly advocated a model of devolution and accountability which is based closely on that developed under Brian Picot as Chairman of the Taskforce to Review Education Administration in New Zealand (the Picot Report). The introduction to the *Report on Post Compulsory Education and Training in New Zealand* (the Hawke Report) stated:

The Picot Report advocates essentially devolution and accountability, opportunities for local initiatives within national guidelines. It argues that the essential features of a new structure are:

- a simple administrative structure;
- decisions made as close as possible to where they are executed;
- national objectives, clear responsibilities and goals;
- co-ordination in a structure in which decision makers have control over available resources and are accountable for outcomes;
- the system should be open to scrutiny;
- the system should promote responsiveness to client demands.

These are equally appropriate for PCET. All the debate is about how to achieve the right mixture of devolution and accountability, and the right balance of local initiative and national uniformity.

(Department of Education, 1988d, pp. 4–5)

Later, in the body of the text (section 3.9) the crucial accountability mechanisms are identified as consisting of a set of contractual relationships between the government, on the one hand, and the chief executives of the Ministry of Education and other educational agencies (such as the Educational Review Office, National Education Qualifications Authority) on the other; and tertiary educational providers (councils and boards) and their chief executives. Charters were the principal contractual mechanism setting out intended outcomes and performance measures, which emphasized regular audits of performance. Universities, polytechnics and colleges of education were expected to develop forms of asset value accounting in order to promote greater public financial accountability.

The charter forms the basis of agreement between the council of an institution and the Government. It outlines education, financial and social goals, in consultation with the community it serves, which becomes a basis for negotiation with the Ministry 'within funding parameters and provide the basis for performance review' (p. 4). Accountability requires a statement of goals (a charter): 'a statement which translates these goals to measurable objectives' (a corporate plan); 'the capacity to manage efficiently (which requires ownership and/or control of assets)'; and a variety of reporting mechanisms. The main accountability mechanisms are deemed to be: clarity of objectives; freedom to manage; incentives and sanctions; adequate information flows; effective assessment with a basis for judgments and comparisons. Institutions are required to provide an annual report, including audited accounts and

information about educational, financial and equity performance allowing comparisons with previous years.

In addition, external monitoring was conducted by the Ministry Educational Review Office (ERO) and (the retitled) New Zealand Qualifications Authority (NZQA) and lastly, self, peer and internal reviews were instituted. Traditional forms of professional accountability received minimal recognition and were overshadowed by external forms of monitoring. The major stakeholder identified was the Government who has an interest in accountability to reflect its role both as 'provider of assets' and as 'principal founder for outputs on behalf of students'. Students and communities were recognized as having an interest in accountability for the quality and quantity of outputs. Additionally 'some communities have a particular interest in the equity provisions provided' (p. 6). It is abundantly clear that the model of accountability developed here is managerialist in orientation, heavily emphasizing an economic perspective which centres around questions concerning the control of assets/resources and a potentially technocratic measurement of relative performance, both individually and institutionally.

It is evident that accountability in the Picot model conforms to the economic perspective advocated by Treasury analysts Bushnell and Scott (1988, p. 20) which views devolution as a form of delegation. They define devolution within the context of principal–agency theory:

> In our view accountability is inseparable from devolution or delegation. A principal (Government, Board or Council) would be willing to delegate duties or devolve processes if confident that the agent would act in line with the intentions of the principal. Of particular importance is the ability to hold the agent to account for the performance of the duties. Devolution, therefore, should be favoured to the extent that this furthers the objectives of the principal.
>
> (Bushnell and Scott, 1988, p. 20)

The overriding consideration here is one to do with 'the efficiency of relationships between agents and their principals'. In this approach to accountability, once objectives and goals are agreed upon, performance is measured, and any tendency to opportunism by the agent is countered through the use of incentives and sanctions. The State Sector Act, 1988, performs the function of formalizing and structuring the contractual relationship between agent and principal, allowing a 'more explicit accountability of performance' (p. 28).

Martin Carnoy (1995) comments that 'structural adjustment is nor-

mally associated with the correction of imbalances in foreign accounts and domestic consumption and with the deregulation and privatization of the economy'. He suggests that, therefore, such policies are identified with a fiscal austerity programme designed to shrink the public sector, and in some countries, with growing poverty and the unequal distribution of income. Yet, as Carnoy observes, the practice of structural adjustment followed by the high-income OECD countries and the newly industrializing countries (NICs) of Asia does not usually conform to this picture. In these countries the focus has been on increased exports, reduced domestic demand, constraints on government spending, together with some privatization. Educational systems in most OECD countries have not suffered.

Drawing upon this difference in practice, Carnoy surmises that there are several categories of structural adjustment and that in the case of the richer OECD nations the term stands for *a set of policies* which originated in the United States during the 1970s as the dominant view of how economies in crisis, typically those of developing countries characterized by high indebtedness, should reorganize to achieve growth. Such policies called for cuts in public expenditure on services, including education, precisely at the point when a shift to a global information economy required massive public investment in an information infrastructure necessary to take advantage of changes in the nature of the world economy.

The so-called 'New Zealand experiment' is something of an anomaly in terms of Carnoy's analysis. While it started the process of structural adjustment relatively late in comparison to the United States and the United Kingdom (i.e., in the mid-1980s rather than the late 1970s), it did so under conditions of crisis management, which enabled the Labour Government to gain a kind of legitimacy and momentum for neoliberal policies that ran against the historical mission of a left-wing party traditionally affiliated to the labour movement.[8] It is also the case that New Zealand, during the period 1984–96, sustained a programme of reform across different and successive governments which, contrary to the main thrust of Carnoy's analysis, has clearly resulted in both increased poverty and social inequalities.

The potential of the combined effects of the new institutional economics and a managerialist ideology has been to seriously erode the *democratic* nature of universities in a twin action of 'restructuring' universities. First, internally, the strategy has been to grant managers, rather than academics, greater operational freedom to act commercially. Secondly, the strategy has also been to replace traditional faculty and student representation on governing councils with ministerial

appointees who have managerial or business experience, or simply to substitute the model of a trust for that of a council, again with ministerial appointees from the private sector. In terms of this double strategy the traditional democratic governance arrangements of the university undergo profound change: 'freedom' in this context no longer registers the traditional liberal concern for institutional autonomy and academic freedom but rather accentuates a neoliberal variant of negative freedom – the freedom to manage and make commercial decisions without interference from the State or academics.

In effect, the university, like other public institutions, once transformed by the government bureaucrats impressed with the new institutional economics – through clarification of objectives, separation of commercial and social functions etc. – becomes yet another 'privatized' public institution, that is, a business which must be managed and run commercially to make a profit. Paradoxically, the policy arguments for the reduction of universities and all public institutions to the same 'performance' logic and model is phrased in terms of 'accountability', construed not in terms of democratic theory (in which the term has its home) but in terms of a narrow construction of financial accountancy.

It remains to be seen whether the approach of the current Labour-led Government will provide the right policy mix and appropriate levels of public investment. The Government's vision for tertiary education has been spelt out in terms that are very familiar to us from the UK and elsewhere 'lifelong learning for a knowledge society' which has been adopted as the slogan by the Tertiary Education Advisory Commission (TEAC), itself the centrepiece of Government policy. The terms that distinguish the Government's direction from the previous regime are 'cooperation', 'collaboration', and 'partnership'. The emphasis on the 'knowledge society' is no different from the previous National-led administration. 'The nature of the knowledge society' is also the starting point for TEAC's shared vision, yet the concept is never analysed, defined or clearly distinguished from the knowledge economy. TEAC simply asserts that all fields of knowledge are of value. And while I agree with TEAC's conclusion that there has been excessive reliance on demand-driven funding, I am not convinced that the Tertiary Education Commission is not simply a return to central bureaucracy and planning. One would expect TEAC, as a Labour-appointed body, to want to jettison the market approach. Its finding that the central-steering mechanism is weak should, therefore, come as no surprise. The strengthening of charters and the introduction of profiles and 'functional classifications' may provide the basis for a more integrated and strategic approach, but the important questions concerning the impact

of forces of globalization and opportunities of the knowledge economy seem to have been submerged or at least have not received the analysis they deserve.

Conclusion

In summary, the development of neoliberalism in New Zealand represents a clear example of the neoliberal shift in political philosophy and policy development that occurred during the 1980s. From being the so-called 'social laboratory' of the Western world in the 1930s in terms of social welfare provision, New Zealand became the 'neoliberal experiment' in the 1980s and the 1990s. With this historical reversal of social principles and philosophy, as I have previously mentioned, New Zealand has been described as a 'successful' experiment of structural adjustment by a number of powerful world policy institutions, such as the World Bank, IMF, and the OECD. The neoliberal era in New Zealand can be conceived historically as the period stretching from the election of the fourth Labour government in 1984, through the election of successive administrations of the National government, lasting until the election of a reconstituted left-wing Labour government in 1999. The 1984 Labour Government jettisoned its traditional affiliation with the labour movement to base its policies upon contemporary forms of American neoliberalism (Chicago school, public choice theory, transaction cost analysis, and new institutional economics), reforming the labour market by introducing the Employment Contracts Act, privatizing state assets and restructuring the social realm. The Bolger and Shipley (after the Prime Ministers) National governments which came to power following the decline of the fourth Labour government and its loss of the Treasury benches in 1990, consolidated and extended neoliberal policies, especially in the field of social and education policy.

New Zealand has a 'thin' democracy (that is, one house and a strong executive) and a small population geographically confined, and this makes it an ideal country for social experiment. A distinctive brand of neoliberalism emerged in New Zealand as the dominant paradigm of public policy: citizens have been redefined as individual consumers of newly competitive public services, and citizen rights have been redefined as consumer rights; the public sector itself has undergone considerable downsizing as successive governments have pursued the privatization agenda; management has been delegated or devolved while executive power has been concentrated even more at the centre. Nowhere is this shift more evident than in social welfare and education.

There has been a clear shift away from universality to a 'modest safety net'. The old welfare goals of participation and belonging have been abolished. User-charges for social services and education have been introduced across the board. Since 1991, there have been substantial cuts in benefits and other forms of income support. Eligibility criteria have been tightened up. Targeting of social assistance has become the new social philosophy and there is a greater policing of welfare recipients aimed at reducing benefit fraud. The stated goal of neoliberals has been to free New Zealanders from the dependence on state welfare. The old welfare policies, allegedly, discouraged effort and self-reliance and, in the eyes of neoliberals, can be held responsible for *producing* young illiterates, juvenile delinquents, alcoholics, substance abusers, school truants, 'dysfunctional families' and drug addicts.

International assessments of the recent reform experience of New Zealand have not been as compelling or as praiseworthy as those of the World Bank or OECD. For instance, John Gray (1999), Professor of European Thought at the London School of Economics, writes:

> The neo-liberal experiment in New Zealand is the most ambitious attempt at constructing the free market as a social institution to be implemented anywhere this century. It is a clearer example of the costs and limits of reinventing the free market in a late-twentieth-century context than the Thatcherite experiment in Britain. Among the many novel effects of neo-liberal policy in New Zealand has been the creation of an underclass in a country that did not have one before. One of the world's most comprehensive social democracies became a neo-liberal state.[9]
>
> (p. 39)

He continues:

> In New Zealand, the theories of the American New Right achieved a rare and curious feat, self-refutation by their practical application. Contrary to the Right's confident claims, the abolition of nearly all universal social services and the stratification of income groups for the purpose of targeting welfare benefits selectively created a neo-liberal poverty trap.
>
> (p. 42)

He concludes that many of the changes instituted during the neoliberal period are irreversible. In strictly economic terms, neoliberalism

achieved many of its objectives, a restructuring of the economy that would have been necessary in any case, yet it could have carried out its policies without the huge social costs. He suggests that while neoliberal reforms will not be overturned, they have had the effect of narrowing the scope of future governments to reinstitute social democratic policies, despite the fact that criticism of the excesses of neoliberalism will become part of the new political consensus.

Ramesh Mishra (1999), Professor of Social Policy at York University (Canada), concurs. He remarks:

> New Zealand provides a good example of the role the OECD and IMF in promoting deregulation and privatization in individual countries. The drastic reforms in New Zealand which began in 1984 and continued into the early 1990s changed its economy from being one of the most closed to one of the most open among OECD countries. The OECD evaluated these reforms and the subsequent economic performances of the country in glowing terms and remonstrated with governments for not carrying projected changes far enough. Admitting that these changes involved short-term pain, the report asserts that they are sure to bring long terms gain.
>
> (p. 10)

He suggests that the OECD plays up the neoliberal reforms, praising their consequences, while the success of the social market economies is glossed over. His assessment is that globalization is as much a political and ideological project as it is market-driven and he argues that globalization has 'weakened very considerably the influence of domestic national policies on social policy' (p. 3; see Figure 2). In other words, 'globalization virtually sounds the death-knell of the classical social democratic strategy of full employment, high levels of public expenditure and progressive taxation' (p. 6).

The argument of this chapter has been that since the introduction of changes to compulsory education in New Zealand in 1988 initiated under the Picot Report and *Tomorrow's Schools*, the system has become increasingly consumer-driven, seriously eroding the notion of education as a welfare right. In higher education with the introduction of 'user-pays', there has been a shift from education as a universal welfare entitlement to a model of private investment whereby students have to pay a substantial portion of the costs of their education. The end point of a pure neoliberal approach to education policy is a fully consumer-driven model, where social or state welfare functions disappear completely. In contrast to a neoliberal model of education policy, it can

be argued that today there is even more reason to regard education as a form of welfare; indeed, in a post-industrial society or in the emerging global knowledge economy, education becomes the single most important means for easing the transition from dependency on state welfare to economic and social self-responsibility. There are, of course, different accounts to be offered of this process with different a set of moral meanings attached to the notion of 'work', from a more or less draconian, forced transition from state welfare to state workfare, to an enabling cultural and education-based transition based upon a reconceptualization of education as a twentieth-first century welfare right.

Appendix

Major education reports and policy documents

Early childhood education

Report of the Early Childhood Care and Education Working Group (Meade Report). 1988. Department of Education, Wellington.
Before Five: Early Childhood Care and Education in New Zealand. 1988. Department of Education, Wellington.

Primary and secondary education

Administering for Excellence: Effective Administration in Education (Picot Report). 1988. Department of Education, Wellington.
Tomorrow's Schools: The Reform of Educational Administration in New Zealand. 1988. Department of Education, Wellington.
Today's Schools: A Review of the Educational Implementation Process (Lough Report). 1990. Ministry of Education, Wellington.
The National Curriculum of New Zealand. 1991. Ministry of Education, Wellington.
The New Zealand Curriculum Framework. 1993. Ministry of Education, Wellington.

Tertiary education

New Zealand's Universities: Partners in National Development (Watts Report). 1987. New Zealand Vice-Chancellors' Committee.
Report of the Working Groups on Post-Compulsory Education and Training (Hawke Report). 1988. Department of Education, Wellington.
Reforming Tertiary Education in New Zealand. 1988. New Zealand Business Roundtable.
Learning for Life, Vols. I & II. 1988. Department of Education, Wellington.
The Report of the Ministerial Consultative Group (Todd Report). 1994. Ministry of Education.
The Tertiary Reviews. 1994. Treasury, Wellington.

General significance: education and the economy

Economic Management. 1984. Treasury, Wellington.
Government Management, Vol. II: Education Issues. 1987. Treasury, Wellington.

Bulk Funding: Wage Bargaining in the Education Sector. 1991. Treasury, Wellington.

Designing the Framework: A Discussion About Restructuring National Qualifications. 1991. New Zealand Qualifications Authority, Wellington.

Upgrading New Zealand's Competitive Advantage (Porter Project). Crocombe *et al*. 1991.

Learning to Learn: An Introduction to the New National Qualifications Framework. 1992. New Zealand Qualifications Authority, Wellington.

Education for the 21st Century. 1993. Ministry of Education, Wellington.

Economic Surveys. 1992–1993. OECD, Paris.

Towards an Enterprise Culture. 1993. New Zealand Business Roundtable, Wellington.

Notes

1. This chapter is based upon material drawn from a variety of papers, including Peters (2001a) and Peters and Olssen (1999).

2. Yet as he notes in the annex devoted to measuring economic freedoms and assessing its benefits: 'Since the reform process was set under way in New Zealand in mid-1984, liberalization has been taken further there than in Ireland, and on most reckonings the New Zealand economy would now show up as the freer of the two: both these conclusions emerge from the respective figures [given] . . . But if we compare 1984 with 1997 GDP per head in New Zealand appears as having increased by only some 10 per cent, as compared with over 90 per cent for Ireland. It seems obvious that this remarkable divergence between the two countries cannot be chiefly explained with reference to the comparative extent of economic freedom or differences in the recent progress of liberalization' (Henderson, 1999, pp. 99–100).

3. In New Zealand the term 'economic rationalism' (after Pusey, 1991), favoured in Australia, was not commonly used. Commentators tended to use terms such as the neutral 'economic liberalization', or the more ideological 'New Right', or the term that I prefer 'neoliberalism', which I take to refer to the revival of the assumptions of neoclassical economics (especially in the form of *homo economicus*) particularly in the third Chicago school (1970s to today). American neoliberalism – e.g., monetarism of Friedman, public choice economics of Tullock and Buchanan, human capital theory of Becker, principal–agency analysis, and so on – proved very influential with the NZ Treasury. This is not to deny the importance of other influences from the UK (the Institute of Economic Affairs) and also the quasi-world policy agencies such as the World Bank, IMF, OECD and WTO. Unlike Mok & Welch, I do not run the term 'postmodernism' together with 'neoliberalism' or 'economic rationalism', even though postmodernism has been referred to as 'the cultural logic of late capitalism' (Fredric Jameson) or the first international cultural style. I think these claims have to be treated very carefully and that we should distinguish between 'postmodernism' and 'poststructuralism' (see e.g., Peters, 1995; 1996; 2001b).

4. The nine SOEs were: Electricity and Coal Corporations (from the Ministry of Energy); NZ Post, Post Office Bank and Telecom (from the former Post Office); Land and Forestry Corporations (from NZ Forest Service and the Lands and

Survey Department); Airways Corporation; and Government Property services. Subquently, the Works Corporation was set up from the old Ministry of Works and Development (1988); the Government Supply Brokerage Company was formed from the old government Stores Board; public sector superannuation funds were separated from Treasury; the Government Computing services was split from the State Services Commission. Under the National Government the health system has been 'restructured', as has the science policy regime: the larger hospitals have become Crown Health Enterprises and the old Department of Science and Industrial Research (DSIR), along with other science departments, have been broken up into ten Crown Research Institutes.

5. As examples of neoliberals in New Zealand we can cite the National government's, Minister of Health, Simon Upton, and Minister of Social Welfare, Jenny Shipley, (later to be Prime Minister) – both in Jim Bolger's administration. We might also regard the one-time Secretary of Treasury, Graham Scott, Rod Dean (government official and one-time chairman of Telecom), Don Brash (chairman of the Reserve Bank), as well as the disaffected Labour Ministers, Roger Douglas and Richard Prebble, neoliberals of one form or other. The New Zealand political spectrum was dominated by a two-party system up until the introduction of proportional representation in the late 1990s – the Labour party, with traditional affiliations to the labour movement, and the National Party, a center-right party, that traditional favoured farmers and the rural heartland of NZ. After the election of the 1984 'neoliberal' Labour government, especially with Douglas as Finance Minister and Prebble as Minister of State Owned Enterprises, the political scene became confused, with Labour reneging on its traditional values, and support based. Douglas and Prebble split off from the Labour party to form a right-wing party called ACT to take advantage of the new proportional representation.

6. This section draws on material from my 'Introduction: The University in Crisis' (Peters, 1997).

7. The negative effects of quasi-market choice policies on issues of welfare within the community has been documented by Wylie (1994) who has investigated the broad effects of increasing competition under schemes of choice, citing changes in ethnic and socio-economic composition of schools as well as deterioration in the relations between schools. The Smithfield Project (Lauder, 1994) also documents the negative social effects of choice proposals. Gordon's (1994) research concluded that the status of a neighbourhood was a powerful factor influencing school choice. While poorer parents frequently do not have the option to shift their children from one school to another, more affluent parents do. An implication of this trend, says Gordon 'is that within schools, there will be increasingly homogenous class groupings, while between schools differences will be enhanced' (p. 15). Similar patterns of segregation operate in respect to ethnicity.

8. New Zealand's late start to its experiment (*vis-à-vis* the UK), and the paradox of a Labour government fostering neoliberal policies, parallels the Australian experience. See Welch (1997 and 2002, this volume).

9. It is debatable whether it can be fairly maintained that New Zealand ever had an underclass. It could be argued that Maori constituted an underclass, although their visibility as such was hidden through rural dispersion up until

the rapid urban migration that occurred during the 1960s and 1970s. I owe this point to Anthony Welch.

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N.B. All official reports, including policy documents, from the Department (and, later) Ministry of Education, the Treasury and other government agencies are given in the Appendix.

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11
Conclusion: Deep Development or Deep Division?

Anthony Welch and Ka-ho Mok

Introduction

One of the striking features of any current attempt to describe, much less analyse, globalization, is the diffuse set of understandings that underlie patterns of response. Potent illustrations of this diffusion were seen within one fortnight, in September 2001, during which *Le Monde Diplomatique* carried Susan George's stringent critique of attempts to muzzle opponents of globalization, particularly in the aftermath of the debacle at Genoa (*Le Monde Diplomatique*, 2001). This was closely followed by coverage of the horrific attacks on the Pentagon and the World Trade Centre, some of which sought to explain some of the background to the deadly strikes as a response to tensions around rising globalization of American influences (Darwish, 2001; Fisk, 2001; Smith, 2001).[1] Yet other commentary sought to imply that opponents of globalization were fellow travellers of terrorism, and hence themselves almost responsible for the catastrophe (IHT, 2001). However one understands these diverse outpourings, it is clearly the case that different models of globalization were being evoked.

It follows that, to the question of how processes of globalization and structural adjustment are connected to contemporary reforms in education, there is no single answer. Some analysts of the former have concentrated on ways in which globalization has affected the work of teachers and academics, others have focused on ways in which a new communications era has opened up new pathways in teaching and learning, while still others have begun to investigate the growing coalition of media and education interests, worldwide, or how the role of the state in education is undergoing transformation, under pressure of globalization. This recognition of diversity meant, that the foregoing

case studies of the ways in which processes of structural adjustment and globalization were related to contemporary educational reforms in the Asia Pacific region, were structured around a core set of questions, rather than any particular theoretical orthodoxy.

Globalization and structural adjustment

Given this necessarily diverse analysis and response, as also the profuse and often prolix literature that has arisen on globalization in recent years (Mignolo, 2000), it is perhaps as well to rehearse briefly here some of the major analytical heuristics of globalization research, the lines of which have influenced contributors in this volume, in different ways.

Before doing so, however, it is appropriate to examine the link between this term, and that of structural adjustment. Depending upon one's understanding of globalization, a greater or lesser degree of affinity is apparent between this term and structural adjustment. About the latter term, too, there is no single consensus, but it would generally be agreed that the term coheres around the ongoing sets of changes ('adjustments') made to economies, hingeing on an agenda supported to greater or lesser degrees by major international economic organs such as the IMF, World Bank (Arnove, 1997; Jones, 1998; Samoff, 1996; Watson, 1996), and the OECD, and ultimately based on a neoliberal economic agenda (Peters in this volume, Welch in this volume)[2]. Such reforms give education a key role as a major engine of economic growth, while at the same time restructuring it along human capitalist lines (Maglen, 1990; Marginson, 1993; Welch, 1997; 1998a and b; 2000). Numerous major publications by the World Bank in the 1990s, for example, propounded a view of how education should be reshaped, in particular so as to more precisely serve the assumed demands of national and international economic growth and competitiveness. This set of reforms was to be accomplished with increased financial inputs from families and individuals, and decreased from the state (World Bank, 1991; 1994; 1995), and to be paralleled by increasing privatization, and the reform of the public sector, including substantial devolution to the local level, and the reform of public authorities in education along more business principles (Samoff, 1996; Watson, 1996; Welch, 1998b; 2000). This subjection of education to the confines of the language and logic of neoliberal economics is arguably part of a larger process of commodification, an 'ontological shift'.

The world is in the process of becoming wholly commodified, both through the re-commodification of those elements of public provision

that the welfare state decommodified and much more by the extension of the commodity form into all those areas of the world that were previously concealed from it (Dale, 2000, p. 95).

The principles of structural adjustment hinge around key items such as promoting fiscal discipline; reordering public expenditure priorities; reforming the tax system; liberalizing the financial system, as well as the trade system; privatizing state enterprises; floating exchange rates; deregulation of business and the economy; and enhancing property rights. This agenda, dubbed by some the 'Washington Consensus' (Dale, 2000; Williamson, 1993), does not however imply that there is any single response. Indeed, one can go further. Not merely is there no monolithic strategy at the state level: on the contrary, while states are crucial to the implementation of globalization process, both external context and internal dynamics of individual states are part of the specific context within which debates about restructuring occurs:

> the impact of globalization is mediated significantly by a state's position in the global political, military and economic hierarchies; its domestic economic and political structures; the institutional pattern of domestic politics; and specific government as well as societal strategies for contesting, managing or ameliorating globalization imperatives.
>
> (Held *et al.*, 1999, p. 441)

This is clearly evident in the Asia Pacific region, for example, which is the focus for this book and which is sometimes held to adopt a more interventionist model that resists aspects of globalization. Yet it is clear that there are significant differences (Dale, 2000; Welch, 2001a and b). The more interventionist programme of Singapore or Malaysia, for example, combines support for economic globalization with attempts by the state to control and direct its effects, including cultural effects at times, so as to maximize benefits to the state. This contrasts significantly with the more full-blooded support for structural adjustment found in Australia during the 1980s and 1990s (see Welch in this volume), and even more strongly evident in New Zealand (see Peters in this volume). China's domestic politics ensures that its attitude to globalization is different again (see Ngok and Kwong in this volume): on the one hand successfully overseeing moves to enter WTO (*The Independent*, 2001), and continuing to reform inefficient state enterprises; while on the other hand very conscious of the potential of ending the 'iron rice bowl' for undermining the legitimacy of the regime.

In relation to globalization, the British sociologist Leslie Sklair is the only one to have developed a useful taxonomy of approaches.[3] His framework offers a useful means to understand some of the complex and contested debates surrounding this term. Sklair sites his analysis in terms of differences between internationalization and globalization, arguing that the latter starts from the inadequacy of traditional national frameworks (in principle, whether in education, or in international relations) for understanding much contemporary phenomena. These, he argues by contrast, must increasingly be understood as global processes, which, although recognizing that international influences or pressures on nations are long-standing, nonetheless represent a qualitatively new and different stage of world development.

Of the four research clusters that Sklair identifies, the world systems approach is familiar to educationists through the work of Immanuel Wallerstein (Wallerstein, 1979; 1987; 1991), and, within education, scholars such as Robert Arnove (1982). This approach, one of the first within sociology to use the world as a central hermeneutic, argues that countries can be assigned to either core, semi-peripheral or peripheral status, within an overall context of their role within the world capitalist system. Its genesis before the recent globalization debates perhaps helps to explain its strongly state-centreed approach (which arguably leaves it inter-national, rather than global), although not necessarily its much criticized economism and failure to adequately attend to the cultural dimensions of globalization processes.[4]

Sklair's second model, termed global culture, contrasts with the World Systems model in prioritizing the cultural over the economic. Drawing upon the work of figures such as Mlinar (1992) and Alger (1998), a key question within this framework is how the reshaping of individual and national identity occurs, in the face of an emerging global culture, and hence how the relationship of the global to the local, or the so-called 'global–local nexus' is shaped. The possibility of global culture, and of institutions which transcend regions or continents is at least as old as world religions, or empires; in another guise, it was again put forward decades ago by the Canadian Marshall McLuhan, situating the role of communications technology, and mass media at centre stage.[5] The current era, however, is witness to at least two features which are new and connected: the unprecedented intensification of communications technologies, and the rise of giant international media, telecommunications (including mobile telephony, and wireless web companies), and news conglomerates such as Newscorp, Disney, and Time Warner AOL, some of which, in their quest for 'content', are actively embracing edu-

cational business partners in the form of university consortia.[6] It is, as Held *et al*. (1999, p. 328) point out, the 'reach, intensity and diffusion' of the cultures licensed by communications developments that is unprecedented. In practice, people in many parts of the world indeed can now see much the same images, and perhaps even interpretations, on a daily basis, almost instantaneously (even if, in practice, those images are often owned by a Murdoch, a Disney or a Gates)[7], and even if it is by no means clear that they take the same meanings from these similar cultural products or images. It is to the credit of this model that the ugly neologism 'glocalization' has helped to outline, if not always to clarify, the collinear impact of globalization – in both being employed to strengthen aspects of some local cultures on occasion, while at the same time helping to undermine others, by exporting more global cultural models, including specific models of work, food, information, music, and language.

Yet at the same time, perhaps it can be argued that the cultural model has often failed to take into account, adequately or at all, the material base of cultures. This includes the largely unequal nature of 'glocalization', for it seems clearly the case that global cultural models are of much greater weight and are more influential than local. If so, this helps to explain some of the attempts by governments to regulate 'foreign' influences. Limits faced by CNN's English language coverage in Japan, as also periodic attempts by states such as Singapore and Malaysia to limit the harmful effects of decadent 'western culture', and China's ongoing struggle to control the inflow of knowledge and ideas via the internet, are all examples from within the Asia Pacific region.

A common lack of a political economy of global culture is perhaps also reflected in a failure always to attend sufficiently to the depths of contests over glocalization, as also the economics of global culture. Clearly, one of the distinctive features of the last two to three decades is the development of huge transnational media corporations, and global alliances in telecommunications, computer hardware and software manufacture, which more and more broach national borders. But it is not merely these borders which are being eroded. Indeed, the borders between these industries are themselves increasingly blurred, and the trend towards concentration is only likely to continue, given the trend towards deregulation, in particular, for example, the impact of a 1997 World Trade Organization (WTO) agreement on liberalization of telecommunications industries, which removed barriers previously faced by such firms to investment in domestic media industries, and the passage of the Global Agreement on Trade in Services (GATS) in 1995,

which opened up international trade in education and other services (Croome, 1999; Griffin Cohen, 2000; Welch, 2002; WTO, 1998; 2000). The growth of English as the primary language of computing, of book publishing and translation (Held *et al.*, 1999, p. 346), and the internet, as well as international trade, to some extent fuels such developments, although the explosive growth of Chinese language materials on the internet over the past few years seems only set to continue.

It is for some of these reasons that the French, for example, have famously, if not always effectively, sought to contain such influences, having long recognized the difficulties faced by the declining competitiveness of their own language, and of cultural artefacts (such as film, and music) in the face of much more expensive, populist and, at least in the eyes of many French critics, often markedly inferior US imports, supported by gigantic advertising budgets. The recognition of this unequal struggle lay behind subsequent government measures to preserve elements of French culture and language, however ineffectual at times. Here too, we can see the Janus face of glocalization: while for example, the proportion of films made via co-production is now substantial in Europe (and crucial to the viability of film industries in smaller nations such as Portugal and Belgium), 'radio has been an important instrument of localism and the maintenance and re-creation of local identities' (Held, 1999, p. 351). The rise of US dominance in the culture industries also appears to have fuelled resistance to the seemingly irresistible: at least some have argued that tensions around the growing impact of American culture in the Middle East, and to a lesser extent in Central Asia, (comprising both global brands such as Coke, Nike and Lee for example, as well as the products of US music and television), helped feed the fury of fundamentalists in the region. 'It is impossible to keep cultural America at bay. The terrorists know this, and it feeds their hatred' (Darwish, 2001, p. 21).

Either way, as Tomlinson (1999) among others has pointed out, culture too has a material base, and does not float free in a semiotic space. It issues in material products like books, CDs and DVDs, which are more or less heavily promoted by publishers or producers, and compete in actual markets for sales. The fact that this book, about transformations in Asia and the Pacific, was produced by authors who were occasionally well outside the region – in places such as Berlin, Glasgow, Athens and Crete, for example – does not diminish the significance of the material conditions of its production, although it is perhaps a potent illustration of the relatively seamless forms of communication that now often appear to be redefining cultural space.

Global Society forms the third model, which claims that globalization

is a unique stage in world development, which has only become believable in the modern era, characterized by the unprecedented rise of science, technology, and so-called universal values. Associated with this model are figures such as Harvey (1989; 1998), who claimed that globalization was compressing our sense of space-time, and Anthony Giddens who employed the phrase 'action at a distance' (Giddens, 1995) to characterize the supposedly unique way that globalization was enlarging our sense of space–time (Li, in Miyoshi, 1999a), and who has also argued that 'modernity is inherently globalizing' (Giddens, 1991, p. 163). It is such theorists who are largely responsible for ideas such as 'global awareness' or 'planetary perspectives' becoming more commonplace parlance. Some also argue that instant communications, and the electronics revolution have forcefully altered not merely the rich countries where such processes are principally in evidence, but in any social groups involved in the global system. This seems borne out as much in contemporary China – where the feverish growth of the internet is introducing changes to those who use it, for business, research, or finding out about the outside world – as in more developed countries.

The final model, global capitalism, 'locates the dominant global forces in the structures of an ever-more globalizing capitalism' (Sklair, 1999a; 1999b), in which, for example, almost half the world's one hundred largest economic entities are companies rather than states.[8] That economic space is less and less coextensive with national space has been pointed out by numerous authors:

> the growing deterritorialization of economic activity, as production and finance increasingly acquire a global and transnational dimension . . . national economies are being reorganized by processes of economic globalization such that national economic space no longer coincides with territorial boundaries.
>
> (Held *et al.*, 1999, p. 8)

This model goes beyond some of the state–centrist assumptions of traditional sociological explanations, and sees capitalism as both a social and economic system which explains, for example, the de-industrialization of former key regions of capitalism, the increasingly crisis-prone trajectory of many modern economies since the 1970s, and the development of both transnational corporations (TNC), as well as a transnational capitalist class (TCC) which, it is argued, in effect acts as a global ruling class (Currie, 2003; Dahrendorf, 2000; Sklair, 2001). If the post-war Keynesian settlement represented one of the more systematic attempts at civilizing national capital, this model attempts to grapple

with more recent attempts to understand and civilize global capital (Latham, 1998), attempts in which education too can play a role, as has been argued in several of the preceding chapters.

It is clear that if such a transnational ruling class exists, it is by no means restricted to senior executives of major transnational enterprises, but also includes bureaucrats, media owners, and crucially, politicians. Increasingly, many of these leaders trumpet much the same message regarding the inevitability of further globalization: that, in the face of declining civic participation and community (Putnam, 1993; 1995), signs of increasing mistrust and alienation among the citizenry, fuelled by active and increasing gaps between the 'haves' and 'have nots' in society, nonetheless, 'There Is No Alternative' (TINA), or as the Australian Prime Minister put it recently, 'In a globalized economy you can't turn your back on change and reform. It's going to happen anyway' (*Australian*, 2001).

There are interesting paradoxes here too, however, both in the agenda of economic globalization itself, and the way it is being implemented. A paradox of the first form consists in the contradiction that, although the global mobility of capital is a key element within this account, the mobility of labour is stoutly resisted by many of the very same governments who, while pressing for more and more liberal capital markets, continue to press for ever-tighter limits upon labour mobility – in particular by closing their border to 'economic migrants', asylum seekers, and the like (*Guardian Weekly*, 2001a; Kenneally, 2001).[9] Internationally, criticism is growing of what has been termed this 'Free Market in Hypocrisy' (Elliott, 2001). A second paradox consists of contradictory concepts of democracy: in particular, while often presuming an equivalence between the extension of neoliberal economic practices and the extension of democracy, governments are in practice rather wary of testing this assumption by submitting specific elements of the global capitalist programme to their own populaces for approval.

It seems increasingly arguable that a more global form of legitimation crisis[10] has fuelled the rising tide of anti-globalization demonstrations around the world – in cities as diverse as Seattle, Prague, Melbourne and Genoa, often associated with meetings of supranational agencies involved in this agenda, such as the IMF, or the World Development Forum. Does this mean that this newer form of legitimation crisis stems, at least in part, from a rising sense of disenfranchisement on the part of populaces that feel that globalization is going on over their heads: a process supported by trade alliances that they little understand, and were not consulted about, and urged by international agencies that are

not responsible to peoples who are affected by globalization processes? In this sense, it is arguable that the 'tactic' of withdrawal by the state from responsibility for key services at the national level (Cerny, 1990; 1997; Dale, 2000; Welch, 1997), and the correlative attempt to transfer the problem of legitimation of the modern welfare state (Offe, 1985; 1993; 1996) into one of the efficient delivery of scarce resources by the 'competition' state, may not have worked, but, at least in part, been transferred to the global level, as, for example, Bello has recently argued:

> With the global elite itself having lost confidence in them, a classic crisis of legitimacy has overtaken the key institutions of global economic governance. If legitimacy is not regained, it is only a matter of time before structures collapse, no matter how seemingly solid they are, since legitimacy is the foundation of power structures. The process of delegitimation is difficult to reverse once it takes hold. Indeed, what we might call, following Gramsci, as the 'withdrawal of consent' is likely to spread to the core institutions and practices of global capitalism, including the transnational corporation.
>
> (Bello, 2001)

It is arguably the case that workers who are forced to endure either redundancies, underemployment, or the intensification of work, are now more often making the connection between these changes, and the broader sets of structural changes pressed by economic globalization.

The fact that, although national governments increasingly press ahead with a globalizing agenda based on extending the impact of structural adjustment throughout society, they still largely go to the polls on domestic agenda items, arguably helps fuel both voter apathy and, at times, more active forms of resistance to economic globalization. The articles of international trading charters (North American Free Trade Agreement [NAFTA], Free Trade Agreement of the Americas [FTAA], Asia Pacific Economic Cooperation [APEC] etc.) are rarely if ever put to voters at national level, who hence often feel alienated from such agreements, over which they have had no say, and which are often presented by governments in the form of 'TINA'. This alienation is only increased when subsequent structural adjustments are demanded: 'Once a country buys into a global economy, a broad set of decisions is removed from national debate' (McGinn, 1996, p. 350).

These decisions often involve educational 'adjustments', particularly in an era when education is increasingly treated as an engine of eco-

nomic activity and international competitiveness. In some countries, too, popular alienation is increased by government actions which appear to be more in support of global business interests than the populace which elected them,[11] and which result in the increasing bifurcation of society into winners and losers. A further paradox is seen in that while the agenda of neoliberal economics is seen to be global, in practice (as seen above), the world is increasingly divided into regional trading blocs, with winners and losers:

> Globalization and regionalization constitute a dual challenge for firms and governments in developing countries. Both phenomena are creating opportunities for strengthening North–South integration, and for enhancing productivity growth, competitiveness, and living standards in developing countries. But for many countries they also raise the specter of involuntary exclusion from the emerging trio-polar world.
>
> (Dale, 2000, p. 100 citing Oman, 1994)

While growing evidence in many parts of Africa, Latin America (Boron and Torres, 1996) and the Asia Pacific region supports a more skeptical view of the above assessments regarding rising economic growth rates and living standards (*Guardian Weekly*, 2001b; Weisbrot *et al.*, 2000), the claim about the impact of exclusion from regional trading blocs is better supported, as is the evidence for the increasingly divisive effects of economic globalization (in education), at both national and international levels (Welch, 2000), even among countries that are part of such blocs. The data provided in several of the chapters in the current book, which reveal increasing economic divisions within Asian Pacific states in recent years, are arguably little different from the patterns observed in Mexico in the years after NAFTA:

> Assumptions that . . . globalization will ultimately bring economic convergence between the world's rich and poor [remain] far from proven. NAFTA may have brought economic investment to Mexico, but since its inception, cross-border wage differentials have widened not narrowed. Average US pay is now 13 times higher than Mexican pay.
>
> (*Guardian Weekly*, 2001b, p. 6)

Indeed, the prevailing ideology that economic globalization has been productive of greater average growth has itself come under increasing scrutiny of late. Drawing on United Nations Development Programme

(UNDP) and other data, analysis by the Washington based Centre for Economic Policy and Research shows that the recent era of more pronounced globalization has not been productive of greater economic growth as its proponents claim. Not merely has the past three decades or so seen substantially worsening income differentials, but a comparison of 1960–1980 growth rates with those of 1980–1998 shows a slowdown in all of the world's regions, with the exception of East Asia and the Pacific where growth rates in per capita Gross Domestic Product (GDP) of more than one hundred per cent were recorded over the latter period (compared with significantly less than one hundred per cent in the earlier period), and in China, where the growth rate of three hundred per cent from 1980–1998 more than tripled its growth rate of less than one hundred per cent in the earlier period (Weisbrot *et al.*, 2000, p. 9).[12]

Moreover, closer scrutiny reveals further cause for caution. It is true that per capita Gross Domestic Product in East Asia and the Pacific, where growth rates remained relatively high after 1980, was the highest of all world regions over the past two decades or more: six per cent as compared with only two per cent for Organization for Economic Cooperation and Development (OECD) countries, and a fall of one per cent for Sub-Saharan Africa (UNDP, 2001, p. 10). Indeed, the overall income ratio of this region, relative to that of high income OECD nations rose from one to ten in 1960 to almost one to five by 1998 (UNDP, 2001, p. 16). Nonetheless, growth rates in South East Asia 1980–2000 were lower than in the prior two decades (only in East Asia, were growth rates higher in the later period, than in the former). Moreover, while the growth rates and economic progress of South East Asia and the Pacific, and especially China, are impressive, they have been paralleled by two trends that point in the opposite direction. First is a swiftly rising income gap between rich and poor in many states over the same period, a trend which economic globalization has only intensified. In China, for example, the 'Open Door' policy of 1980 and moves to a 'socialist market economy', have been paralleled by the substantial widening of income inequality, especially from the mid-1980s (UNDP, 2001, p. 18). Equally, of the two OECD nations included in the study,[13] income inequality grew by between one and seven per cent over the decade from the mid-to late 1980s, while in New Zealand, income inequality grew by between seven and fifteen per cent over the same period (UNDP, 2001, p. 19). The second trend is that, despite the impressive economic growth in many Asia Pacific states, the absolute income gap between the region and that of high income OECD nations has widened: from about $6,000 in 1960 to more than $13,000 in 1998

(expressed in PPP\$).[14] Indeed, Weisbrot *et al.*'s review of IMF policy prescriptions over the past decade or more bears out the critique of many, that these formulae tend to be faddish (Jones, 1992; 1996; Welch, 2000) rather than based on in-depth knowledge of the societies under review, and on more factually-based and detached economic judgements. Hence, although, as Weisbrot *et al.* point out:

> The failure of the last two decades of globalization, structural adjustment, privatization and 'market fundamentalism' to raise living standards worldwide, and the dramatic decline in growth, especially in underdeveloped countries, should be cause for serious concern.
>
> (Weisbrot *et al.*, 2000, p. 3)

There is, in fact, little sign of any serious admission of failure on the IMF's part, or of a fundamental reappraisal of some underlying assumptions.

Globalization, structural adjustment and education: effects and responses in Asia and the Pacific

That globalization processes are having substantial effects on education is hardly disputed any more: indeed, as a number of authors have pointed out in recent years (Crossley, 2000; Currie, 2002; Currie and Newson, 1998; Jones, 1998; Welch, 2000; 2001a and in this volume), it is becoming increasingly difficult to understand education without reference to such processes. The question remains as to which aspects of globalization are the most telling in their influence on educational reforms.

Sklair's (1999a) review of the different models of globalization, concluding with his assessment that global capitalism is the most satisfactory, nonetheless, still leaves the question of how far this account might apply to education. Two trends, both part of the growing impact of communications technology, make this assessment even more complex. First, there is an increase in importance of non-school influences, notably in television and the internet (Giddens, 1999), upon values and social and political engagement of younger generations, in ways that are often isolating, and sustain a retreat from active or direct social and democratic engagement. Increasingly, this retreat from direct social and political involvement, among adults too, is being replaced in many countries with 'chequebook participation' (McGinn, 1996, p. 345; Welch, 2001a) or mailing list organizations (Putnam, 1996) which are

also becoming increasingly evident at the international level. Secondly there is the increasing role of mass communications technology in contemporary education, notably in the swift spread of distance higher education, particularly via the internet, even in China. Are these trends more reflective of Sklair's global culture model, given the pronounced domination of TV and the internet, including distance higher education, by English language content, and to a large extent, by US materials (Paulston, 1999; Wilson *et al.*, 1998)? Or might it be argued that the principal rationale for this rapid extension of fee-based study programmes over the net, nationally and internationally, is more suggestive of the logic and practices associated with Sklair's final model, global capitalism? Ultimately, perhaps, elements of both may apply, but recent research done on the links between contemporary reforms in higher education, for example, and the extension of internet-based distance higher education programmes is suggestive of an explanation often more consistent with the latter (Currie and Newson, 1998; Miyoshi, 1999b; Noble, 1998 a and b; Welch, 1998a and b).

But, as was seen above, it is also having wider social and economic effects which are socially and economically regressive and fissiparous, including in the Asia Pacific region. While the deregulation of international economies has widened wage gaps, weakened unions and cost millions of jobs in the most highly waged economies such as the USA, it has had a much more profound effect on Asian economies, where the swift inflows of capital to the region, followed by the even more dramatic flight of capital in the late 1990s,[15] was exacerbated, if not provoked, by IMF policies to liberalize financial markets (Bhagwati, 1998).

What lay behind this conspicuous failure of policy prescriptions by the major agencies charged with promoting global economic growth? According to an increasing number of economists, including some erstwhile proponents of economic globalization and structural adjustment programmes (Gray, 1998), a reliance upon mathematical assumptions and formulae that are often in defiance of actual country data (Chossudovsky, 1997), together with an inadequate knowledge of (and perhaps too little concern with?) the detailed needs of specific countries' economies, was compounded by a determination to push ahead with such strategies as privatization and opening up of financial markets as ends in themselves, rather than as means towards wider and more basic social and economic ends, such as greater growth in income for all groups in society. Ultimately, the policy failures represented 'an excessive reliance on textbook models of economics', notably 'the neo-classical model' (Weisbrot *et al.*, 2000, p. 15).

It is thus something of an irony that the UNDP, which has been strongly criticized for employing arithmetical artefacts such as its Human Poverty Index (HPI), which effectively underemphasizes the real picture of increasing poverty and stratification in many countries undergoing globalization and structural adjustment, is also critical of too great a reliance upon economic models as ends in themselves. Citing Aristotle's argument that 'Wealth is evidently not the good we are seeking, for it is merely useful for the sake of something else', UNDP goes on to argue, rightly:

> [i]n seeking that something else, human development shares a common vision with human rights. The goal is human freedom . . . Human development and human rights are mutually reinforcing, helping to secure the well-being and dignity of all people, building self-respect and the respect of others.
>
> (UNDP, 2001, p. 9)

It is clear that economic globalization has had substantial impact upon the Asia Pacific region, something that is only likely to increase due to the growing dependence of several Asian economies on the failing US technology sector. Indeed, in the context of a worldwide economic downturn, regional prospects were considered bleak at the end of 2001:

> Economists estimate that the economies of Japan, Singapore, Malaysia, Thailand and Taiwan will all contract during the final three months of this year, with South Korea, and Hong Kong barely remaining in positive territory. Forecasters warn this downturn will last longer than the Asian crisis of 1997–8.[16]
>
> (SMH, 2001a, p. 11)

Even China has not remained entirely immune: with real unemployment estimated by some at 15%, and growth of its exports having declined from 28% in 2000 to only four per cent in 2001 (to September), it also faces the challenge of entry into WTO, and the increased competitiveness that this will bring over the next few years (*The Australian*, 2001, p. 17).

Despite this regional trend, effects and responses must be closely analysed at state level, always remaining conscious of the reciprocal relationship between the global and the local (Urry, 2001). The above point about the necessity to examine and understand this impact at the nation-state level, is indeed further strengthened by at least two factors. First, there is the fact that some non-capitalist nations in the region

have managed not only to maintain impressive economic growth, but also to improve their UNDP Human Development Index (HDI) rating significantly. Thus Vietnam, for example, has made much more progress in raising its HDI (a measure of how economic development is translated into human development), than some other capitalist countries (UNDP, 2001). The same can probably be said for China, despite widening regional inequalities, including in education (Mok, 2000; Yang and Welch, 2001). Indeed, in the face of what appeared to be a looming global economic downturn in 2001, it has been argued that only countries which have not globalized their economies to such an extent have been sheltered to a degree:

> The only nations that appear to be weathering the global downturn – India China, Russia and some in Eastern Europe – are those that resisted full integration into the world economy, retaining vestiges of socialism and protected markets.
>
> (SMH, 2001a, p. 11)

Secondly, one must take into account the powerful, long-standing and resistant sets of traditions that inform everyday life, business, banking practices etc., in specific countries in the region. The persistence of Confucianism on values and practices in East Asia has been pointed to by more than one scholar (Hayhoe, 2000; Kim, 2001; Tu, 1996; Tu, Hejtmenek and Wachman, 1992; Welch, 2001a and b). The persistence of patterns of great loyalty to the firm, inter-firm cooperation, cross shareholding, and relational banking mean that Japanese capitalism, for example, is likely to resist the supposedly more Anglo-Saxon variant of capitalism that underlies neoliberal economic globalization and structural adjustment more effectively, and for longer, than countries without such differences (Dore, 2000). China, too, may also be able to resist, or at least regulate, some elements of globalization more than some other countries despite its growing influence (Mok, 1999; Yang, 2002), although its accession to WTO membership in 2001 will likely accelerate the pace of change and structural adjustment.

Deep development or deepening divisions?

Models of globalization are not merely idle debates, but actively inform policy decisions in education and across the social and economic policy spectrum, if at times implicitly. Decisions about the shape and content of the curriculum in Taiwan, to allow unrestricted access to foreign universities on the same conditions as domestic institutions, as put forward

by GATS (Griffin Cohen, 2000; Welch, 2002; WTO, 1998; 2000), or to implement schemes to induce skilled members of the Korean or Chinese diaspora to return and work in national universities (Choi, 1995; 1999; Koo, 2001; Yang, 2002; Yang and Welch, 2001; Welch, 2001b), are clearly reflective of specific models of globalization.

Whether these national strategies of how to deal with globalization reflect cultural or economic models of globalization, however, or represent more or less interventionist strategies by specific nation states, are by no means the most important questions, however. Given that there are practical outcomes to be considered, we need to pose a further question clearly: who benefits from the effects of these decisions? If the arguments of the editors (and several of the contributors) of this volume are accepted, the rise to dominance of economic globalization and structural adjustment models, strongly supported by international agencies such as the IMF and the World Bank (who exercise a disproportionate influence internationally), have profoundly deepened divisions between the 'haves' and 'have nots' in society, as social safety nets have been increasingly placed out of reach of many who need them; industrial relations reforms have weakened workers rights; financial systems have been deregulated internationally; and environmental and other safeguards came to be defined as barriers to so-called free trade.

The answer to social and economic development in the new more global era is clearly not the unbridled neoliberal form of capitalism that is increasingly touted as the solution to all problems of growth and development, social as much as economic. If this were the case, Vietnam, for example, would not have made much more progress in raising its Human Development Index (a UNDP measure of how income growth is translated into human development), than several other capitalist countries over the last two decades (UNDP, 2001, p. 13), nor would China's and India's exceptional economic performance have surpassed those of other more 'open' developing economies in the region.

On the contrary, 'all inclusive, high quality schooling plays a crucial role in development with social participation' (Carnoy, 1994, p. 1712). On this account, it becomes important to invest in girls' education, schooling for rural dwellers and urban poor, even on grounds of economic wastage, let alone social equity. As has been argued before, quality and equality are not at either ends of a continuum in education (Welch, 2000). On the contrary, quality must extend to the disadvantaged and marginalized, especially in an era when globalization threatens to deepen social and economic divisions, including through education, rather than contribute to the deep development of societies.

Notes

1. 'It is impossible to keep cultural America at bay. The terrorists know this, and it feeds their hatred' (Darwish, 2001, p. 21); '. . . America's failure to act with honour in the Middle East, its promiscuous sale of missiles to those who use them against civilians, its blithe disregard for the deaths of tens of thousands of Iraqi children under sanctions of which Washington is the principal supporter – all these are intimately related to the society that produced the Arabs who plunged America into an apocalypse of fire last week' (Fisk, 2001, p. 21); '. . . the attack on America is specific, very likely . . . a reflection of the unparalleled despair felt across the Middle East about the worsening plight of the Palestinians' (Smith, 2001, p. 23). 'A lot of these (so-called fundamentalist) groups are political Islamists. And they are angry, not only because they are subject to oppressive regimes funded by America, but they are also subjected to cultural imperialism. Like we are talking about modernism, and it being antagonistic to Islam or the Islamic world, but the reality is modernism has never been allowed to develop in the Islamic world. It has been enforced as a form of Westernization, enforced on the people, and people have been muzzled by these oppressive, patriarchal, male elites that rule the country' (*Sydney Morning Herald*, 2001b, p. 21).

2. This is not to imply that there are no differences between the IMF and the World Bank for example (see the Economist, 1994a and b, and Welch, 2000), or between these two agencies and that of the OECD.

3. While Sklair's is one of the more useful frameworks, it is by no means the only one: see Giddens' allusion to political, economic, cultural and technological elements of globalization in his 1999 Reith Lectures (http//www.bbc.co.uk/hi/english/static/events/reith-99).

4. The debate over the role of culture within world systems analysis, is captured in Featherstone, M. (1990).

5. The spectacular rise of SMS messaging is also having profound impacts in the region. In the Philippines, the country where SMS is most popular in the world, 'the use of the technology by protesters is credited with helping to overthrow the country's former President, Joseph Estrada' (*The Economist*, 2001, p. 9).

6. One of the more well known of these higher education consortia in the Asia Pacific Region is Universities 21, which involves universities in Australia (University of New South Wales, Melbourne, Queensland), China (Fudan and Peking), Singapore (National), Hong Kong (Hong Kong), as well as the USA, Canada Sweden, Germany, and the UK.

7. See *inter alia*, Wilson, M., Qayyum, A. and Boshier, R. (1998).

8. Some 47 in fact. Latham, M. (1998). p. 11.

9. While this conclusion was being written, one of the national governments treated in this volume provoked international condemnation in this regard, including by international agencies such as the United Nations Commissioner for Refugees (UNHCR). While the international furore caused by Australia's action to turn away a boatload of rescued refugees from Afghanistan and Iran occurred within the context of an impending national election campaign, it provided an apt example of this paradox, by a

government committed to economic globalization (see *inter alia* Welch, 1997, and in this volume).

10. Since the 1970s, most notably in his prescient (1976) book of the same name, German theorists such as Jürgen Habermas, and Claus Offe (1993; 1996), postulated a rising legitimation deficit among the modern capitalist state, unable to satisfy the legitimate demands upon the state by its citizenry, while at the same time pursuing policies which increased inequalities in society. In this sense, the modern state became increasingly caught up in its own contradictions. In the case of education, for example, states needed to use schooling as a means to shore up their failing legitimacy, while at the same time pursuing educational policies which in fact deepened social inequalities (Welch, 1993). Programmes of economic globalization have subsequently only deepened these inequalities, and it is arguably the case that current tensions represent the extension of this legitimation deficit to the regional and even global level, albeit too little taken up by political theorists, or theorists of globalization. It is clear, for example, that some of the resistance to the proposed extension of a pan-European agenda, and institutions, across the member states, is also on the basis of a perceived lack of direct accountability, undermining Giddens (1999) claim that the EU actually represents an extension of democracy (Welch, 2001a). Anthony Welch would like to acknowledge the assistance of Ariane Welch, who pointed out the work of Walden Bello, while he was grappling with the question of globalizing the crisis of legitimacy.

11. Giddens' (1999) argument for example, that, as consumers, we must take responsibility for eating genetically modified foods, fails to make the point that the exercise of this choice depends on accurate labelling, which business interests lobby national governments hard to prevent. His point about the inherent need for risk management in contemporary society, then, as also the role of the state, is too simple, (as indeed is much of his analysis of globalization, which too readily simply ascribes many contemporary social phenomena – from fundamentalism to the collapse of the USSR – to globalization, without detailing closely enough its internal processes or logic).

12. And was accomplished by an economy exhibiting several features in flagrant violation of IMF/World Bank prescriptions: a non-convertible currency, state controls over banking, and to an extent over the labour market, etc. It is equally revealing that Malaysia's defiance of IMF prescriptions in response to the Asian financial crisis of 1997/8 resulted in it emerging with the least damage in the region.

13. Korea was not included, since it is a relatively more recent OECD member.

14. Purchasing Power Parity $ (PPP$) is an index which attempts to control for price differences between countries, and yields different results to measures based on Exchange Rate Conversions. (For more on this see UNDP, 2001, p. 20.)

15. According to Weisbrot *et al.*, the precipitate outflow of capital equalled 11% of the combined Gross Domestic Product (GDP) of Indonesia, South Korea, Philippines, Thailand and Malaysia (Weisbrot *et al.*, 2000, p. 13).

16. *Sydney Morning Herald* (2001a) 'Economic hard rain: business fizzles, jobs go under and countries struggle to stay afloat', November 8, p. 11.

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