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The Role of the Bretton Woods institutions in forming and spreading education policies

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Abstract

It was shortly before the end of World War II (1944) that the decision was taken to establish the Bretton Woods institutions, namely the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD). A few years later (1948), the Universal Declaration of Human Rights was adopted by the UN, according to which education was at last officially established as a human right for the first time throughout human history.

Upon the end of WW II, the creation of International Institutions aiming principally at implementing policies towards economic development came to the fore. Given that collaboration is more effective if it takes place through multilateral institutions, the International Institutions gradually emerged as important regulators of the global scene, setting or influencing international developments at various levels.

At the same time, the content of education, the structure of the educational system and the implemented education policies were regarded as key factors influencing economic growth. In this way, economy was directly related to education while education was in its turn directly linked to development programs.

There are many international institutions intervening in education policy matters. The action taken by some of them is widely known while others' action is not, since the fields they get involved in are prima facie not related to education issues. The less known institutions include the IMF and, secondarily, the IBRD. The role of the IBRD is more active and visible while the involvement of the IMF is indirect, through its involvement in the financing procedures of the WB.

The present paper will attempt to examine the role played by the IBRD and the IMF in cultivating and diffusing specific education policies and ideas as well as the value bases on which their education programs develop.

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The vast majority of the International Institutions dealing with education do not form a specific self-contained policy promoted by the member states themselves since they are not capable of enforcing specific measures.

They usually define specific goals and create an attractive atmosphere around them. These goals are subsequently promoted through the mesh of relationships and partnerships they have been developing.

The particularity of the Bretton Woods Institutions lies in their ability to impose specific measures on the states. While promoting their positions through financial programs, rendering their implementation an integral part of financing, they in fact enforce the implementation of specific education policies. This fact attaches great importance to the role they play with regard to education at a global level since they may be the only International Institutions possessing the ability to directly exert education policies.

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1. Introduction

After the end of WWII, an entirely different international setting was formed. The new world which was dawning was politically and economically bipolar, with the U.S. on the one hand and the USSR on the other hand. At the same time, the idea of a wider international cooperation was given prominence, aiming at the development that would be achieved through the establishment of International Institutions which evolved into major regulators of the global stage, determining or influencing international developments in multiple levels.

It was then considered that international institutions could often be more effective in promoting choices and exercising policies, since the neutrality they show drastically reduces the potential reactions that could arise from interventions in sensitive sectors, such as education.

It was in this context that the Bretton Woods Institutions were established (1944), namely the International Monetary (IMF) and the International Bank for Reconstruction and Development (IBRD)¹ as autonomous Public International Institutions, constituting Specialized Agencies of the United Nations system.

At the same period (1948), the Universal Declaration of Human Rights was adopted by the UN. According to Article 26² education was officially established as a human right for the first time in human history. The content of education, the structure of the educational system and the applied education policies were gradually being regarded as key factors influencing and shaping economic development. In this way, the economy was directly linked to education and, in turn, education to developmental programs, resulting in the direct redetermination of educational poles at national and international level through the sphere of economic and development policy.

There are numerous international bodies taking action in education policies (UNESCO, OECD), including the Bretton Woods Institutions. The action of the WBG is widely known as the largest source of development intervention in the modern world, especially under the conditions of globalization. Similarly, the relationship that

¹ Today the IBRD is part of the World Bank Group (WBG). The WBG consists of five autonomous international institutions, which are specialized agencies of the UN system and these are: a) the International Bank for Reconstruction and Development, b) International Finance Corporation, c) the International Development Association, d) Multilateral Investment Guarantee Agency and e) International Centre for Settlement of Investment Disputes.

² Article 26:1. Everyone has the right to education. Education shall be free, at least in the elementary and fundamental stages. Elementary education shall be compulsory. Technical and professional education shall be made generally available and higher education shall be equally accessible to all on the basis of merit. 2. Education shall be directed to the full development of the human personality and to the strengthening of respect for human rights and fundamental freedoms. It shall promote understanding, tolerance and friendship among all nations, racial or religious groups, and shall further the activities of the United Nations for the maintenance of peace. 3. Parents have a prior right to choose the kind of education that shall be given to their children.

Source: UN, Universal Declaration of Human Rights, <http://www.un.org/en/documents/udhr/index.shtml>, access 20/3/2013.

the IMF exhibits with regard to educational issues is more recent and indirect, as it is associated with the terms and conditions imposed on the states it loans as well as its involvement into the financial procedures of the WB.

The vast majority of International Institutions dealing with education do not form a specific self-contained policy promoted to their member-states and are not capable of imposing specific measures. They usually set goals, create an attractive climate around them and they promote them through the mesh of the relationships and partnerships they have developed.

The particularity of the Bretton Woods institutions lies in their ability to impose specific measures on states. They promote their positions through economic programs, rendering their fulfillment an integral part of financing since the implementation of education policies is related to the loan “conditionalities” set to the countries. This fact attaches great importance to the role they play in education at a global level, perhaps they are the only international institutions which are capable of enforcing and exercising education policies.

The present paper will attempt to examine, through the perspective of education policy, the role of the IMF and the WBG in the cultivation and spread of specific educational ideas as well as the value-bases upon which their educational programs develop.

2. The emerging role of education policy in the postwar world

After WW II and particularly since the formation of the new international balance of forces at the level of geopolitical and economic influence, education policy became a key component of the mesh of policies aiming to promote economic development and social cohesion. At the same time, the need arose for the creation of specialists with knowledge on educational systems, on designing educational programs and actions but also on specializing in methods and techniques associated with concepts such as profit, cost, efficiency, opportunities and threats within education. That is, what was witnessed was a creation of a dynamic intervention on the part of the forces of economic capital in fields (eg, such as education) that could be used as reservoirs of symbolic and ideological influence in order to consolidate and encourage reforms which, as a rule, facilitate capital mobility.

The first part of this enquiry was held by the economists who gradually evolved into economists of education and developed several theories about the role of education in economic growth (Human Capital, manpower planning).

One of the first economists to highlight the economic value of education was Schultz (1961), as he pointed out that investing in education is a process of capital accumulation which in the long run can be leveraged to increase productivity and income. He argued that ‘investment in human capital’, as he named it, is as important as investment in physical capital.

A series of studies which were conducted consolidated the idea that education as a form of human capital development affects economic growth and this relationship was considered to be bidirectional and mutually supported.

The applied economics of education was gradually renamed education policy. But in the era when education economists were culminating, the first researches on education came to existence by the field of sociology. From the late 1960s until the early 1980s, sociologists had been severely criticizing the approaches, theories and findings of education economists and the fermentations within the sector of sociology led to the creation of the sociology of education. The applied sociology of education in fact attempts to decode and interpret the social, economic and cultural context in which the educational policy is actually exercised.

That is to say, education policy as an autonomous discipline can trace its origin either in economics or sociology. The sociological approaches to education are directly related to the theories of political science and they are holistic, as opposed to those of economic science. Education policy rooted in sociology differs from education policy approached through finances. The scientific foundation and the theoretical analysis is therefore different and so are the criteria for interpreting data and results. Even the conclusions in relation to the benefit and effectiveness of specific measures and policies are almost always diametrically opposed. The main cause is the core of the theoretical approach followed. In the case of economics it is the individual profit alone, while in the case of sociology it is the benefit of society.

In short, education policy has evolved and developed as a science of education studying the macro-educational phenomena, directed either towards economy or to sociology but always wavering between the policy of international institutions and the nation states.

3. The configuration of the theoretical model

The Bretton Woods institutions acknowledge the importance of education as they feel that it is one of the principal pillars of development. The methods of analysis and interpretation of educational issues, ie the theoretical framework adopted, does not differ from the broader development model they apply and which is based on pure economics.

On the basis of this model, statism was rejected and the free market model was adopted. By early 1990 the components of the new approaches had been consolidated and the model prevailing was the New Political Economy (NPE) that gradually became a model for economic development within the implementation of the Washington consensus and later the post-Washington consensus.³

The NPE suggests that the mechanisms of the market, if set free from political interventions, can act as capable regulators of the successful operation of the economic system. An aftereffect of this viewpoint was that the institutions faced the state as the problem of development and indicated free market as the solution, while up to that point they had been operating in the light of the identification of market imperfections and the guidance of governments to improve them (Voutsas, 2010).

The beginning of the practical application of the aforementioned policy was sparked by the ‘structural adjustment loans’ of the WB and later the IMF followed with the ‘Structural Adjustment Policies (SAPs)’ which was established as the primary method of financing and was the key method of promoting the NPE in developing countries.

The NPE interprets economic phenomena through the prism of economics ignoring, thus, the interdisciplinarity of socio-political economy of development which accepts the imperfections of the market and the existence of positive effects of the economic policy.

The adequacy of the Washington consensus had already begun to be reviewed since the mid 1990s. The main reason was the phenomena which functioned as inhibitors to development but could not be explained by the NPE. Especially the ‘structural adjustment policy’ did not achieve the long-awaited economic growth and poverty reduction in low-income economies.

The Bretton Woods institutions tried to adopt a different approach to development by placing more emphasis on the social factors influencing it. The post-Washington consensus, which was proposed as a descriptive term of the new development policy, would constitute an important step if it contributed towards meaningful change. However, in fact the theoretical framework is no different but rather updated and completed by modernizing the neoclassical model, continuing to regard development as a technical problem (Voutsas, 2011).

While there are some differentiations, the theory, the principles and expected outcomes of the WB’s education policy remain unchanged (Bonafant 2002). This framework is not critically positioned on the elements of the Washington consensus but works additively by setting more points of reference. The new components are related to the implementation of increasingly stringent ‘conditionalities’ and the enhancement of their influence on internal policies of the country. According to Jones (2007), the WB becomes sharper and more persistent, although it makes significant efforts to make its language more moderate, to soften its image and to appease its critics.

The choices of the Bretton Woods institutions are based on the theory of human capital.⁴ According to this education is not a value in itself. Studies on workforce planning and cost-benefit analyses of educational choices are turning into promotional tools of the theory and are used mechanically to dictate identical solutions. However, already since the 1970s these approaches had been under severe criticism as they were not able to provide reliable data that would indicate a model applicable in the long term and beyond the local one.

³ For further details regarding the theoretical framework of the New Political Economy, see Voutsas Maria -Eleni, *How the Southeastern Europe is Turning into a Modern Sisyphus The Role of the Bretton Woods Institutions into the Transition of Southeast European Countries*, LAP Lambert Academic Publishing, 2012.

⁴ As formulated and validated by Th. W. Schultz and in the long run documented and consolidated by Wolfe (1954), Clark (1962), Halsey, Floyd & Anderson (1961), Blaug (1972, 1974).

4. The involvement of the World Bank in educational issues

The relative reluctance of European countries to borrow from the World Bank, in conjunction with the financial aid channeled from the U.S. through the Marshall Plan in Europe, limited its regulatory role, forcing it to turn to the emerging economies of the newly independent former colonies.

Thus, during the 1960s, a reorientation of the disposal of funds was designed and the developing world was transformed into a field of implementing the new ideas that would prevail in education. The WBG is the largest external financier of education. It began dealing with educational issues in 1962, when it launched the construction of a secondary school in Tunisia.

The decline of colonialism and the emergence of new states brought education into the spotlight. Once independent, the leaderships who came to power had to satisfy the political commands which had been promising drastic changes within a short time. Education was chosen to be the vehicle that would lead these states to the new era. The reason was twofold.

The colonists were wary of the educated natives and feared their mass education. The former colonies used to have educational systems of narrow bases, designed for the domestic elite and a small group of employees and collaborators, who came from the local communities. This rendered education a precious commodity which could not be accessed by broad masses of the population. (Gillis, M., D., Perkins, S., Radelet, M., Roemer, D., Snodgrass, *Economics of Development*, pp. 408)

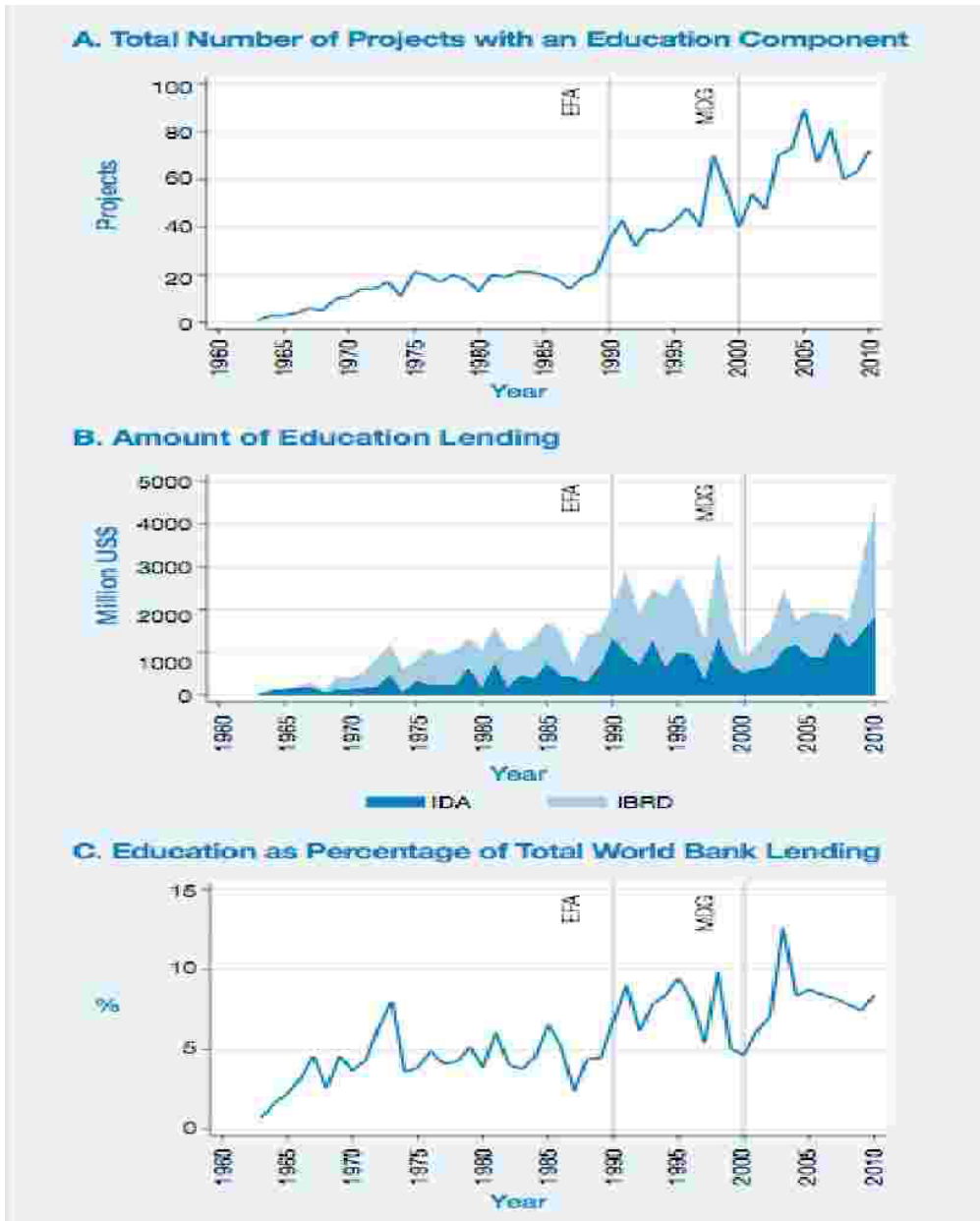
The new local leaderships, in order to mark the change, promoted the creation of new schools that could be promptly made in comparison to other promoted changes, whose effects would be visible after decades. In this way, the societies would have access to education and politicians would prove that a new era commenced.

As a matter of fact, the efforts focused on constructing buildings that often had no material or technical infrastructures, specialized teachers and specific educational objectives. Initially, the WB took actions to cover the building, material and technical infrastructure and teacher training. But later it went on to promote key aspects of the education policy to be implemented by the countries it financed. These education policy measures were in fact imposed by linking them at first to the progress of the projects it materialized and then to the 'conditionalities' of financing.

Until the early 80s, the interventions were very specific and perfectly targeted. Through its education programs it moved towards implementing projects such as building schools and technical equipment supply. Time after time its involvement became increasingly intense and it involved shaping education policies, which traditionally belongs to the domestic jurisdiction of each state. In other words, there was gradual intrusion into the intra-state core which shaped policies and which was also promoted through programs irrelevant to educational issues.

The WBG has taken significant action in the field of education (Diagram 1, panel C). By 2011 it had invested \$ 69 billion worldwide in over 1,500 projects (Diagram 1, panel A). Its financing rose during the last decade and in 2010 it reached \$ 5 billion (Diagram 1, panel B). Specifically, the IFC, since 2001, when it began to focus on education by establishing a special department for its support, has invested \$ 500 million in 46 private education projects (World Bank, 2011, 1).

Diagram 1. Trends in World Bank Lending for Education, 1963-2010.



Note: EFA – Education for All Declaration (Jomtien); Millennium Development Goal - Dakar EFA Forum & agreement on MDGs.

Source: Source: World Bank, 2011, pp. 47.

5. The role of the international monetary fund

The IMF participation in planning and implementing educational programs is not direct and active as education is not the scope of the institution. But since the early 2000s it has been involved in the WB programs. As a consequence, it imposed ‘conditionalities’ to financing from the WB. In a joint review of the IMF and the WB (2001-02) the question was raised whether they should align all financial benefits and financing strategies, wherever they may come from, with certain ‘conditionalities’ which were included in the ‘Poverty Reduction Strategy Paper’.

Indicatively, the development plans and the financial tools which should be aligned with specific ‘conditionalities’, among others include:

- the IMF program ‘Economic Growth and Poverty Reduction’,
- the WB Programs ‘State Support Strategy’ and ‘Poverty Reduction Support Credits’ (PRSCs) and
- the United Nations Development Assistance Framework (UNDAF).

Besides, the IMF’s positions come first within the level of priorities. In many of the countries implementing educational programs of the WB or UNESCO, IMF programs for debt reduction or fiscal consolidation are also being implemented. In case there is conflict between policies, the ‘conditionalities’ imposed by the IMF prevail. For example, Kenya needs 60,000 teachers to meet the needs of thousands of additional students enrolled in school after the abolition of tuition fees. The goal, however, set by the IMF for Kenya was to reduce the budget of payroll in the public sector from 8.5% to 7.2% of Gross Domestic Product by 2007, which froze the number of teachers to 1998 levels (Emmett 2006, 73). Although education is considered to be a fundamental component of development, it is not supported when efficiency is afflicted by parallel actions.

6. The features of the education policy promoted

6.1 Privatisation

The privatization of education and its curtailment as a public and free policy is advocated as a type of reform by the Bretton Woods institutions. The provision and management of public services on the basis of a small state guided by the free market is nowadays the dominant approach promoted worldwide.

According to the arguments supporting this choice, public education provided by state institutions is of poor quality, does not meet the needs of learners, is manipulated by its personnel’s interests and stagnates in bureaucratic procedures. The solution proposed is to open up education within market rules and competition through the admission of service providers operating alongside or within the education system by implementing various forms of privatization (World Bank, 2011).

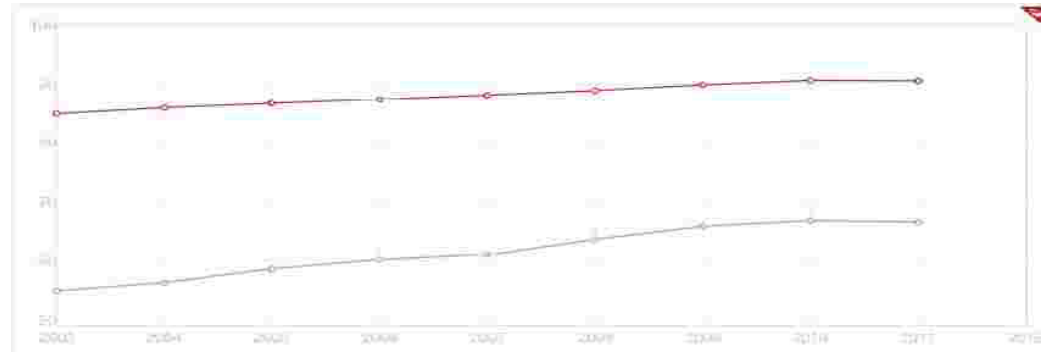
Privatisation can be divided into two types (Ball & Youdell, 2008):

The ‘intrinsic’ one carried out inside the public education and concerns the transfer of practices and ideas such as the ‘new managerialism’ in the school environment so that it will resemble a corporation and the ‘extrinsic’ one regarding the private sector involvement in public education services for profit. This form of privatization expands and touches the design of education policy through consulting, designing proposals, assessments and surveys.

In many of these cases there is collaboration between the private and the public sector (public-private partnership (PPP)). Especially this form of privatization is being increasingly promoted under the claim that it reduces public expenditure on education. Therefore, the state is reduced to a buyer and ceases being a provider of educational services. It becomes a customer of individuals who design, construct, operate and administer the infrastructures of public education through the method of lease back and operational leasing contracts.

According to a report by Oxfam, children have to pay in order to go to school in 89 out of the 103 developing countries (Emmett 2006, 9). Privatization for these countries, in whatever form it is being promoted, has a peculiarity. As mass education has not been established and educational systems are under formation and fermentation, in fact the WB programs do not privatize the existing systems but rather incorporate privatization into the educational procedures and make it an integral part of education policies.

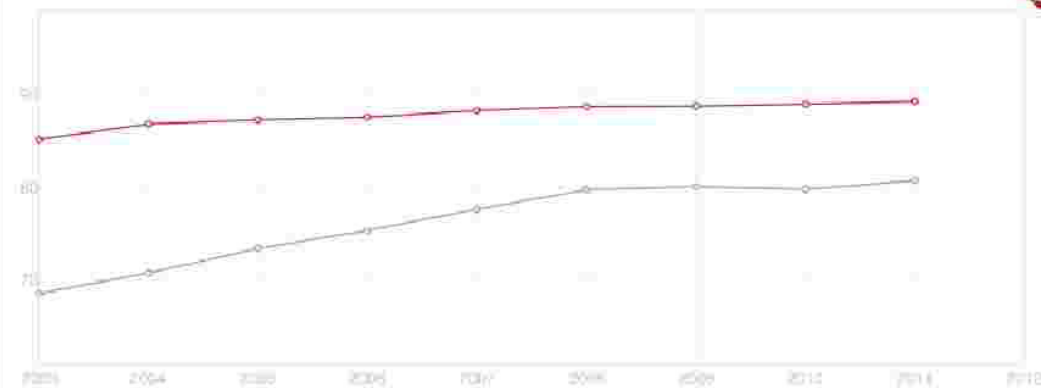
Diagram 2. Primary completion rate, total (% of relevant age group)



World ■
 Low income countries ■

Source: World Bank, Data, http://data.worldbank.org/indicator/SE.PRM.CMPT.ZS/countries/1W-XM?display=graph&cid=DEC_SS_WBGDataEmail_EXT, access at 28/9/2013.

Diagram 3. School enrollment, primary (% net)



World ■
 Low income countries ■

Source: World Bank, Data, http://data.worldbank.org/indicator/SE.PRM.NENR/countries/1W-XM?display=graph&cid=DEC_SS_WBGDataEmail_EXT, access at 28/9/2013.

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Although enrollments have increased worldwide, there were regions which exhibited negative figures such as sub-Saharan Africa (Diagram 4). Public spending on education has increased much less than the increase in enrollment rates. Private financing has paid a larger share of expenditure, wherever it was possible, whereas where this was not possible, it exhibited a decline in enrollments. The phenomenon of school dropouts remains intense in developing countries and is directly related to the very low income (Diagrams 2, 3). That is, either parents cannot afford the cost of education or the children enter the labor market so as to support the family's income.

The profitability of the privatization and commercialization of education is passed to rich countries like the U.S. and the UK and most economic benefits are exploited by companies based in developed countries.

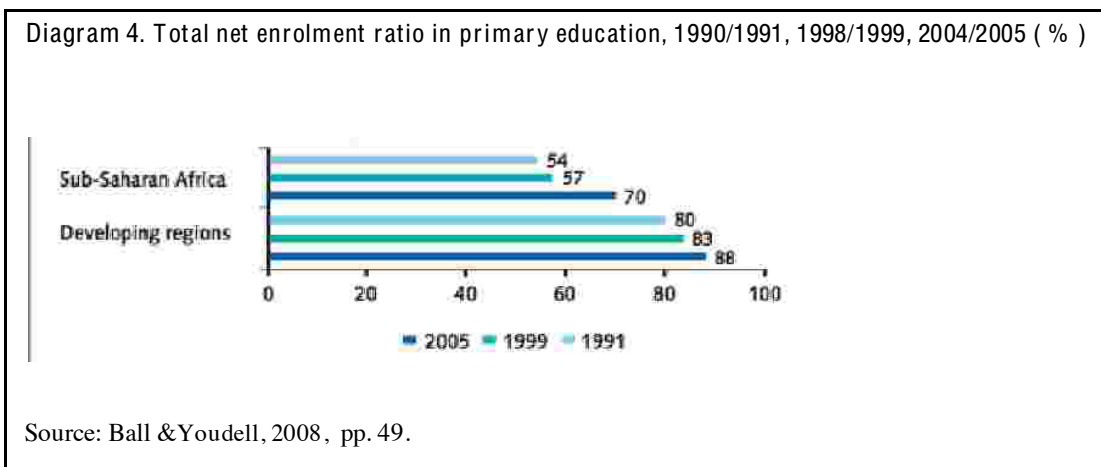


Table 1. Comparison of Privatisation Tendencies in a Highly Industrialised Nation and Developing Nations

	School Choice	Per-Capita Funding	Devolution	Published Performance Indicators	Private- Sector Supply
UK	Yes	Full	To the school	Yes	Of services to schools and of schools
Guatemala	Yes	Partial	To the community	No	Of services to schools
Malawi	Stratified multi-sector provision	State, Aide user-fees	Yes, but NSPs have patchy relations to state	No	Of schools

Source: Ball & Youdell, 2008, pp. 41 .

6.2. Commercialisation

An aftereffect of the privatization promoted and implemented is the commercialization of education. Privatization turns education into a marketable, private commodity or ‘positional good’ which exists for the benefit of individuals and assessed solely on the basis of its extrinsic value, ie according to the opportunities it provides for access to the labor market, under the conditions of standard qualifications and certificates.

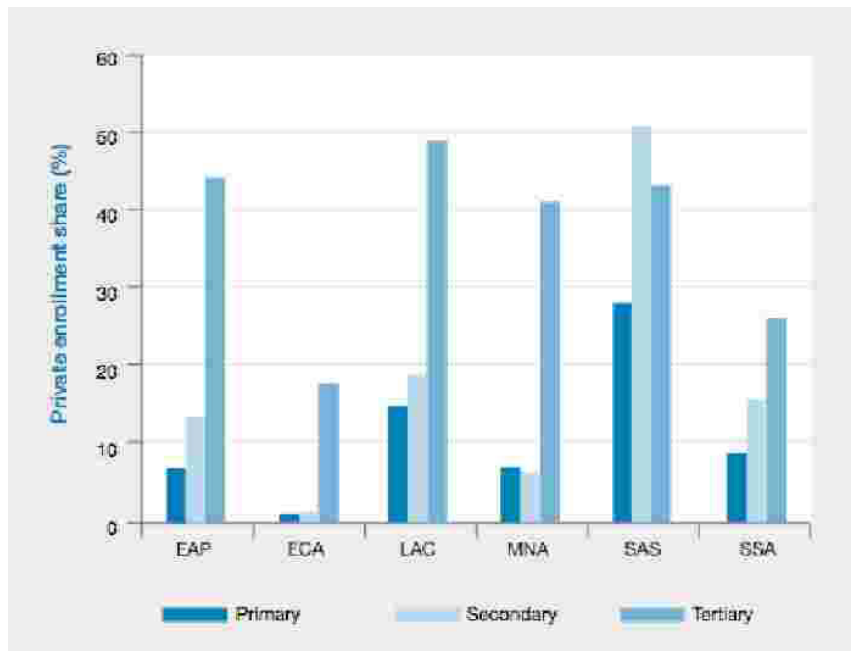
Education, from a public good that serves the whole society is converted into a private good serving the interests of the educated, the employer and the economy. Educated people are customers-consumers of educational products and services of a marketable activity. The social dimension of education is left aside and its role as a collective social public good is ignored.

Privatization, combined with commercialization, distorts the social values of education and promotes competitive individualism, modifying the way students, teachers and families think, act and decide about education. At the same time, it distorts the mode of operation within the educational process, the formulation of curricula and the evaluation of pupils and teachers.

Education services have been added to the list of products negotiated in the global economy. The PPPs are converted into financial products that are available in the form of investment in the aftermarket PPPs contracts, constituting part of a ‘portfolio investment’ of commercial and financial companies. The interest of international capital in education and educational services is also intensely exhibited, as it is an emerging market for Foreign Direct Investment (Diagram 5).

According to UK education and training index, «Since January 1 1996 the E&T index has out performed the FT-SE 100, which tracks Britain's top 100 plcs, by a factor of three. While £1,000 invested in the FT-SE all-share index at the start of 1996 would be worth £1,690 at the end of May, the same money invested in the E&T index would be worth an impressive £3,289» (Guardian, 2000).

Diagram 5. Share of Enrollment in Private Schools by Region, 2009



Note: EAP – East Asia and Pacific; ECA – Europe and Central Asia; LAC – Latin America and the Caribbean; MNA –Middle East and North Africa; SAS – South Asia; SSA – Sub-Saharan Africa.

Source: World Bank, 2011, pp. 35.

6.3. Focus on skills and forms of informal education

The Bretton Woods institutions recognize three types of education in its broadest sense:

- Formal education that takes place within the structured educational system in schools and its content is usually defined by the Ministry of Education. This type includes (underage) people who have not yet joined the workforce.
- Non-formal education, which includes learning programs that take place outside the structured educational system which is attended by (adult) people who are outside the labor market. These programs are shorter and serve more specific educational needs, with emphasis on applied knowledge.
- Informal learning offered outside any educational institution or program through the family, community, church or work and includes, either self-education or experiential learning.

Within the WB wording, education was gradually replaced by the term ‘schooling’ and this in turn by the term ‘learning’. The use of the specific terms is ideologically and theoretically loaded. While the use of a term declines and another one is established, at the same time there has been a diversification in the objectives set to meet. When the term ‘education’ dominated, the trend was for countries to loan funds for wider support of their educational system. Later, the attention of organizations was mainly turned to infrastructure and policies that would enhance the enrollment of pupils in schools (World Bank, 2011).

With the advent of the post-Washington consensus, the term ‘learning’ dominated. In the past, what was of primary concern was the mass participation in formal education (a request based on the founding principles of modern society and the proclamations of enlightenment) while nowadays the goal is to learn and acquire knowledge, abilities and skills. This is promoted either through the promotion of non-formal and informal education to a bastion of the new educational model or the infiltration of elements of this kind into the system of formal education (World Bank, 2011).

The main argument is that development depends on the knowledge, skills and abilities that people acquire throughout their social course rather than the years they are in a classroom. The increased enrollment in schools does not ensure the consolidation of knowledge, since a more systemic approach to learning is being attempted not through knowledge, but mainly through learning outcomes.

To support this option, the WB invokes researches showing that the level of skills in a workforce, as measured in international student assessments (the Programme for International Student Assessment (PISA), Trends in International Mathematics and Science Study (TIMSS)) may constitute a more efficient predictor of the rate of economic growth than the average level of education. Generally, references to the results of peripheral and International Student Assessment (LLECE, PIRLS, SACMEQ, PISA, and TIMSS tests) are very common. Yet, there are few developing nations participating in these evaluations.

The number of countries participating in the PISA survey increased from 43 in 2000 to 65 in 2009, while the countries participating in TIMSS increased from 45 in 1995 to 65 in 2011 (WB, 2011, 38). While this fact constitutes significant progress, the data on learning outcomes are still scarce, fragmented and limited in scope for most developing countries (WB, 2011, 38)

The WB admits that there are no aggregate data to paint a clear picture of education in developing countries in order to draw concrete conclusions for the policies implemented, while it uses survey results which include in their sample very few developing countries as an argument and means of pressure to promote policies in the developing world.

6.4. Lifelong learning

In the Washington consensus, lifelong education was seen as a tool that could be used for financial profit by stakeholders wishing to increase their income. As a concept it was rather connected with collective responsibility for the existence and operation of educational structures of public interest which could harness the individual to enrich his knowledge.

In the post-Washington consensus very significant differences were traced and a verbal differentiation was found. They did not refer to lifelong education but lifelong learning instead, which is linked to the economic prosperity of the individual as well as the economic development of society. In the new context, it was highlighted that the State

abdicated the responsibility for mass education and personal responsibility for continuous learning was ‘artfully’ becoming prominent, as individual subjects became individually more responsible for monitoring their developments and enrichment of knowledge in order to be economically active and employable (WB, 1999a, 1999b). As the WB points out ‘Tomorrow's workers will need to be able to engage in lifelong education, learn new things quickly, perform more non-routine tasks and more complex problem-solving, take more decisions, understand more about what they are working on, require less supervision, assume more responsibility, and ... have better reading, quantitative, reasoning and expository skills’ (WB, 1999a, 1-2).

Priority is now given to a learner-centered approach, who can be autonomous in their learning choices as education is a private matter-investment in the acquisition of skills which must be updated throughout the life of the individual. According to the WB, the continuous acquisition of new skills and abilities helps people incorporate better into the ever-changing world of work. Lifelong learning is increasingly linked, as for its materialisation, to local communities and civil society. They stress the importance of expanding learning opportunities secured through new technologies and partnership between the private and the public sector.

The consequences of the establishment of an educational system based on lifelong learning is multidimensional. The educational system ceases to be the primary teaching and consolidating knowledge institution and gravity is now shifted to new educational structures outside the institutionalized educational system while simultaneously all alternative learning paths are being investigated and so is the connection between different forms of education. At the same time, a fundamental question that arises is who will bear the cost of a continuous process of education. The continued financing of learning at an individual level renders access to this educational model very difficult if not prohibitive for a large portion of people and, as a consequence, the modernist project of mass education is cancelled in practice. Besides, there is no doubt that the educational and social inequalities are broadening whereas the subsequent phenomena of poverty and social exclusion are swelling, which are to a significant degree reproduced within education mechanisms.

7. The spread of education policies

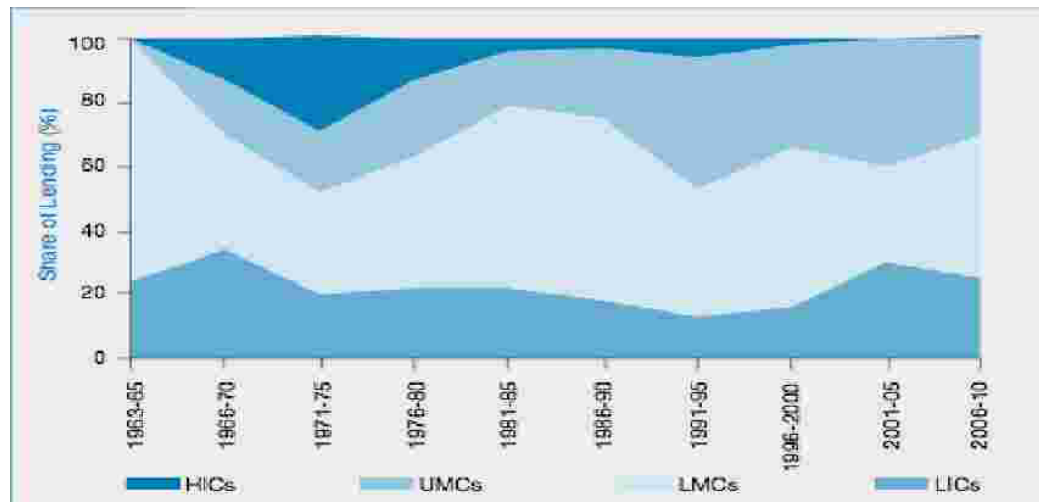
The role of the supraNational agent is now a catalyst for education, as internationalization and globalization constitute the new frame of reference. The Bretton Woods institutions managed to penetrate the national environments previously considered impenetrable and impervious. Cultivation as a process of production and consolidation of education policies has eluded the context of nation/state while the dominant ideology determinately affects the perception, interpretation and sense attached to education.

The educational programs implemented by the WB mainly on developing countries as well as the theoretical framework of programs creates a surrounding atmosphere around educational issues (Diagram 6). The Bretton Woods institutions promote the priorities for education policy through complex ‘conditionalities’ which concern measures taken to aid and relieve debt for poor countries. A 2006 survey found that out of 20 countries which received loans from the WB and the IMF, privatization was a conditionality in 18 of them, while the same survey indicated that in the debt deletion programs some form of privatization (not necessarily for education) was associated with ‘Conditionalities’ for more than half the countries which, anyway, met the conditions for their participation in the program (Emmett, 2006, 11).

The institutions promote measures of education policy through not only the ‘conditionalities’ set to borrowing states but also through practical support to potential investors. The Private Sector Development Strategy implemented by the WB aims to engage the private sector to 40% of its loans to the poorest countries (Ball & Youdell, 2008, 27). For education, in particular, it offers an investment information service called EdInvest. This is a forum for individuals, companies and other organizations interested in investing in education in developing countries and provides information on how to implement private investment on a global scale.

The IFC and MIGA encourage individuals to invest, ensuring compensation to companies for any losses in case the governments of developing countries cancel their agreements. Similarly, the IFC offers financial support to for-profit companies wishing to commence or expand activities in the markets of public services. For this purpose, they established a separate department for education, placing priority on promoting investment in technology programs, financing student loans and supporting profit education companies.

Diagram 6. Distribution of World Bank Lending for Education (Country Income Group)



Note: HICs – high-income countries; UMCs – upper middle-income countries; LMCS – lower middle-income countries, LICs – low-income countries. Countries are categorized by their current income, not their income at the time they received the loan.

Source: World Bank, 2011, pp. 48.

The Bretton Woods institutions, through the solutions they propose, define the problem itself. When, for example, inadequate quality of the education supplied is concluded, they propose the privatization of public education systems. In this way they attempt, both at an ideological level and at the level of applied educational policy, to demonstrate that the problem is the public nature of services and the role of education as a public policy and not any potential lack of teaching personnel or weakness in purchasing books from students or other partial issues which cause malfunctions.

According to researches on effectiveness, the public sector in many countries may indeed present faults, irrationalisms or malfunctions, yet the holistic and unilateral dominance of the private sector does in no way guarantee success in areas of providing and managing social goods such as education and health. At the same time, the inclusion of education in the domination of the brutal commercial logic alienates the very ideal of education that constitutes a cultural and value command which cannot be quantified and become easily measurable. At the same time, an IMF study on partnership between the public and private sector showed that ‘Much of the case for PPPs rests on the relative efficiency of the private sector. While there is extensive literature on the subject, the theory is ambiguous and the evidence is mixed’ (IMF, 2004,14). However, most developing countries are unable to resist the dominant education policies that are in fact imposed on them, since the assistance they receive from the Bretton Woods institutions, overall, may equal half of the state budgets. The close and structural dependence of education policy upon the source of loan financing is in essence easily understandable.

8. Conclusion

According to the Bretton Woods institutions, the utility of education is limited to gaining higher incomes. The main challenge of the policies promoted are the economic benefits derived from education, which is treated as a common consumer and marketable product while the educational system itself is considered to be a framework within which businesses offering competitive and attractive consumer goods are operating. People are regarded as human capital with technocratic, utilitarian, functional and materialistic perception.

The approach promoted is summarized in the three strategy pillars of the WB, as detailed in the report Education Strategy 2020. ‘Invest early. Invest smartly. Invest for all.’ (World Bank, 2011, v).

Individuals, corporations and states are called upon to address education as a form of investment, which they should early conduct, focusing on the level of learning. The phrase ‘Invest for all’, even though it sounds appealing and ideologically powerful in the era of globalization as it is based on the ideology of freedom of choice in education, regardless of the social and economic level of each individual, in reality cannot be realized within the broader context which is being shaped. That is to say, it seems to be wishful thinking rather than a main priority. In addition, it results in greater inequalities creating, thus, what Bauman called ‘society of human waste.’

Evolution is fundamental for education, which is no longer a component of nation-building and social cohesion. The notion of increased competition is introduced as well as the need for a radical improvement of systems in order to make them more universal, to remain market-oriented and to lead to a competitive economy of knowledge.

The value-mutations of education remain obscure as these are implemented by means of broader reforms while social dialogue and public debate around them is almost entirely absent.

The most fervent advocates of the changes occurring in the global landscape of education argue that the involvement of the private body will relieve the educational system from the tyranny of the manipulation of politics and education will be able to serve its purpose unaffectedly. They consciously disregard the existing framework of social, political and economic balance of power which determines the dominant policies and, as a result, the weakest get manipulated and subordinated to the dictates of those who rule. In other words, what will eventually be implemented and what strategic directions will be given do not depend on a supernatural and politically neutral principle, but on the critical process of both the distribution of power and the distribution of interests in the international geopolitical arena. Therefore, ‘someone’ will always define ‘what’ education serves. This ‘someone’ will cultivate, project and eventually implement a specific education policy which will serve in the best possible way both the dominant ideology and the prevailing balance of forces. This ‘someone’ who defines ‘what’ also acquires the necessary ideological and legitimizing power. Through the growing dominance of commodity logic in formulating education policies, which now reaches the field of political planning, ‘who’ decides ‘what’ is simply differentiated while the power which changes hands, remains the same and unchanged in its core. In fact, all the traditional challenges (political, cultural, economic, social) that have been preoccupying education and the affairs around it, remain almost unchanged except that their evaluation is redefined and placed on a new basis, that is, on the basis of the maximization of economic profit. It is clear that, in this process, education as a systemic, public and social operation is subjugated, manipulated and ultimately alienated from its inner humanitarian and reformatory value.

The reasoning arising in connection with educational affairs and the policies accompanying it, lies in the changes, the mutations and transformations they signify. Ultimately, will education be the springboard and give the opportunity to everyone without exception to develop their full potential as individuals and as members of society or will it be converted into a commodity, whose content will vary from the market needs arising from time to time?

At the same time, a fundamental question comes to the surface. Since education has been recognized as a human right, is it really prudent and practicable that the defense of this right be granted to the realm of private interest? Can rights be protected by someone else beyond the aligned and democratically featured bodies of exercising and controlling power?

The answers to these questions, may exceed the limits of this study, yet they can determine to a large extent the evaluation of the new globalized education policies and contribute to the continuation and strengthening of the social and scientific dialogue.

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