International Journal of Educational Development 40 (2015) 9–18

Contents lists available at ScienceDirect

International Journal of Educational Development

journal homepage: www.elsevier.com/locate/ijedudev

The World Bank and the global governance of education in a changing world order

Karen Mundy [a], Antoni Verger [b,*]

[a] University of Toronto, Canada
[b] Universitat Autònoma de Barcelona, Spain

ARTICLE INFO

Keywords:
World Bank
International organizations
Global governance
Agenda-setting
Education policy

ABSTRACT

The World Bank's involvement in education policy and reform has grown substantially since the 1960s. For an organization that originally had no mandate to work on education, the Bank has become perhaps the most powerful and hegemonic of the international organizations operating in the education for development field. The Bank is the largest single international funder of education for development in low-income countries, and its technical and knowledge-based resources tower over those of other international institutions.

This article develops a heuristic framework for understanding agenda-setting processes in international organizations (IOs), and applies it to analyze how the World Bank work in education has evolved with the passage of time. The framework focuses on three dynamics as keys to understanding the Bank and education: the political opportunities created by geo-political and ideological shifts among the most powerful member governments; the IOs relationships with borrowing (or "client") countries; and finally the internal dynamics and organizational culture of the IOs own bureaucracy as it aims to reproduce itself and manage shifts in the previous two dynamics. These three dynamics and their interaction are explored over four key periods: from the 1960s to the beginning of the 1980s, when the debt crisis exploded in many developing nations; from 1981 to mid-nineties, a period marked by structural adjustment lending and the reorganization of the Bank's education sector activities around basic education; from the mid-nineties to 2008, when the Post-Washington consensus emerged; and from 2008 to present, a period characterized by significant shifts in power in the world system and an accompanying rise of strategic uncertainty at different levels within the Bank.

1. Introduction

Over the past 50 years, the World Bank has arguably become the epicentre for the global governance of social policy within emerging economies and low-income societies. The Bank is the largest single international provider of development finance to governments. Its staffing and internal resources tower over those of other international institutions, and it is regarded by other providers of international development assistance as a key source of policy evidence and policy advice. For these reasons, the World Bank has often been viewed as holding "a near monopoly on the business of development" (Marshall, 2008, p. xv). Yet like all international institutions, the Bank is both a global governor in its own right, and a member of a larger system of interstate and transnational relationships.

In this article, we explore the evolution of the World Bank's policies and practices in the field of education to understand how the Bank has come to exert authority in the settlement of global education agendas. Education has long been a significant sectoral focus for the Bank's lending portfolio (smaller but comparable in volume to its efforts in health). Globally, the Bank is the largest single international source of education finance, with a multi-billion dollar budget for education operations. It is also host to several pooled trust funds for education, including funds for education in conflict-affected states, and it is the host of a global "vertical fund" for education, the Global Partnership for Education (formerly the Fast Track Initiative).

As we shall argue, the Bank's formal policies on education are the iterative outcomes of three central dynamics: organizational dynamics, the political opportunities created by geo-political and ideological shifts among its most powerful member governments,

* Corresponding author. Tel.: +34 935814654.
E-mail address: antoni.verger@uab.cat (A. Verger).

http://dx.doi.org/10.1016/j.ijedudev.2014.11.021
0738-0593/

and the Bank's relationships with its borrowing (or "client") member governments (on whose willingness to borrow the Bank depends). This article explores how these three dynamics interact in the constitution of the Bank's educational activities and policies in four key periods: from the 1960s to the beginning of the 1980s, when the debt crisis exploded in many developing nations; from 1981 to mid-nineties, a period marked by structural adjustment lending; from mid-nineties to 2008, when the Post-Washington consensus emerged; and from 2008 to present, characterized by a loss of strategic focus and uncertainty at different levels within the Bank.

2. Conceptual framework

Three approaches from the field of international relations have dominated the study of international organizations (IOs): realism, institutionalism and constructivism. In conventional realist theories, IOs are seen as instruments at the service of the interests of powerful states; accordingly, it is assumed that IOs' policies change and evolve as a consequence of the will of their (most powerful) members. Taking this state centric approach a step further, neo-liberal institutionalism conceives IOs as rational institutions created by states to reinforce cooperation and reduce transaction costs in an increasingly interdependent world (Rittberger and Zangl, 2006).

Constructivism, for its part, is more oriented towards unpacking agency and social relations within IOs and between IOs and a broader world polity. This theoretical perspective goes beyond a state-centric approach to IOs, and focuses on the role played by international bureaucracies and other non-state actors, as well as the cultural and ideational factors that shape political outcomes in the global arena (Barnett and Finnemore, 2004). Constructivists observe that even when IOs are created to serve member-states, with the passage of time, they evolve into autonomous sources of power. As bureaucracies, IOs often have sufficient autonomy to interpret and redefine their own broad mandate and, at the same time, to influence country members' decisions and preferences. *Organizational culture* is a key concept for constructivists when understanding the dynamics of policy change and reproduction in IOs. It can be defined as the "shared ideologies, norms and routines that shape staff members' expectations about how agendas are set, mandates are operationalized, projects are implemented and evaluated, and what staff behaviour will be rewarded or punished in promotions and demotions" (Nielson et al., 2006, p. 109).

In this paper, we adopt the notion advanced by Nielson et al. (2006) of bridging the rationalist-constructivist divide. The rationalist approach contributes to a more sophisticated understanding of principal and agent relationships that influence IOs' outcomes, and can complement the constructivist framework. To operationalize such an approach, three central dynamics need to be analyzed. These dynamics can be analyzed independently, although they are mutually constitutive and, in ontological terms, they are intertwined in the everyday activities at the Bank.

(1) The *first* dynamic is the relationship between the Bank and its most powerful member states. As an organization the Bank was set in motion by the winners of World War II, and has since been dominated by the liberal polities and industrialized economies of the OECD. As might be expected within a rationalist/realist paradigm, the Bank has had to respond to these states and to their changing demands and priorities (Abbott and Sindal, 2005). However, the rise of new world powers is shifting the constellation of powerful states within the Bank, while the emergence of global civil society advocates, critical of Bank activities, has also added a new complexity to the Bank's external authorizing environment. In this new universe, a "second level" of political responsiveness evolves when civil society pressures powerful governments to mandate new norms for World Bank activities (O'Brien et al., 2000; Putnam, 1988).

(2) At the same time, the Bank bureaucracy has enjoyed considerable autonomy and room for manoeuvre. The Bank's most powerful member governments have not always converged in their views about development. At important moments they have faced uncertainty about the best ways forward. This creates an important opportunity for autonomy that is amplified by the fact that among development IOs, the Bank has a unique degree of financial autonomy (derived from its call on initial capital commitments from rich world members) and legitimacy (derived from its claims to scientific rationality and political neutrality) (cf. Finnemore, 1996).

Such autonomy has been used at two levels within the Bank. Starting with Robert McNamara, Bank presidents have played an important role in reshaping both the Bank's mandate as well as the wider global policy agenda for international development. Policy entrepreneurship also thrives at a second level: among technical staff within specific policy fields. Bank staff operate within a context characterized by ingrained organizational imperatives and norms (such as the longstanding dominance of the discipline of economics in decision-making and the "pressure to lend"). Nonetheless, in social policy fields like education, for example, or pension reform, staff often use Bank resources to build both internal (to the Bank) and transnational policy networks and epistemic communities that influence global agenda setting (see Haas, 2004; Verger, 2012; Ornstein, 2008; Broad, 2006; Weaver, 2008; Finnemore, 1996). Thus, the *second set of dynamics* we will explore are the complex patterns of institutional autonomy, organizational culture and bureaucratic path dependency that have shaped the character of the Bank's education sector work.

(3) Finally, we explore the Bank's relationships with middle and low-income borrowing countries. From the Bank side, lending conditionality has been a central but evolving mechanism for managing this relationship; the Bank increasingly utilizes soft power mechanisms (like benchmarking, technical assistance, dissemination of ideas) as a way of framing and influencing the preferences of member countries (Stone and Wright, 2007; Marshall, 2008; World Bank, 2005). It should not be assumed however, that the Bank's relationship with borrowing countries is only driven by the Bank. To survive, the Bank must lend and countries must be willing to borrow. Complex patterns of decision-making, involving both rational dimensions on the part of borrowing countries (such as the existence of financing alternatives and other strategic considerations), and cultural features (such as the match between national policy models and the policy models promoted by the Bank's policy entrepreneurs) shape the Bank's relationships with borrowers.

The combination of these three dynamics constitutes a heuristic framework that fosters structured analysis of the evolution of the World Bank's work throughout this paper.

3. The World Bank and education: origins of a mandate

Formed as a kind of credit union among sovereign states in the period after World War II, the International Bank For Reconstruction and Development (IBRD), known today as the World Bank, initially focused on economic reconstruction and development in Europe. The Bank gradually emerged as a global governor in social policy fields during the 1960s, when the organization became a central provider of development finance to newly post-colonial states. Under Robert McNamara's presidency (1968–1981), the