School Reform in a Global Context

EDM9207
Faculty of Education, CUHK, 2006-07
Y.P. Chung (Government & the Market)
What is “Reform”? 

♦ Major change 
  – Development: continuous & evolving 
  – Reform: discontinuous & quantum leap 

♦ Systematic change 
  – Concert effort & consensus 
  – Leadership 

♦ Directional change 
  – Dis-satisfaction with existing situations 
  – “Visionary” & improvement
Reform in Education:
Common School Movement

♦ Horace Mann (1837 started in Massachusetts)
  – Basic skills & knowledge in a democratic society
  – Common experience & social cohesion
  – Education a responsibility of the state (mid-1980s)
    • Funding
    • Curriculum & Operation
    • Compulsory (Rights of Compulsion of the state)

♦ Britain
  – 1870 Government schools
  – 1880 Compulsory elementary education

♦ 🔄 Global Movement ?!
Reform in Education:
Curriculum Reform

♦ Lunching of Soviet Sputnik in mid-1950
♦ National Academy of Sciences – Education Committee
♦ Woods Hole Conference (1960)
  – “What shall we teach & to what end?”
  – The “structure” of a subject
  – Inquiry & discovery approach
♦ Curriculum reform of science subjects in 1960s to 1980s. e.g. BSCS
♦ ➔ Global Movement ?!
Reforms in the Economy

♦ The two great “economic experiments” in the 20th Century:
  – Establishment of the socialist economy
    • Began in 1917 in the Soviet Union
    • 1949 in China
  – Movement back to a market economy
    • Began in early 1980s
    • “Shock therapy” in Russia
    • Pragmatic incrementalism in China
The Neo-liberal World Order

- The neo-liberal world order
  - Neo-liberal economic “reforms” in ex-communist economies
  - WTO (World Trade Organization)
  - The World Bank & the IMF

- The “Washington Consensus”
  - Free trade
  - Financial market liberalization
  - Privatization

- Govt should “get out of the way” → market would allocate resources and generate growth more efficiently and better.
What is the Government & what can it do?

1. Legitimacy
2. Right of Compulsion (Coercion & force)
3. Right of Eminent Domain (Seizure & restriction of individual rights with just compensation)
4. Policy Tools
   1. Taxing (coercion)
   2. Law-making (coercion)
   3. Financing (economic incentive)
Why Should the Government Retreat?

1. Government power & coercion
2. Economic freedom & political freedom
3. The Road to Serfdom
   1. F.A. Hayek (1944)
   2. Power corrupts & the Totalitarianism
   3. Capitalism & Freedom (Friedman, 1962)
Freedom

1. Political freedom: “the absence of coercion of man by his fellow men.”
2. Power to coerce: in the hands of monarch: a dictator, a bishop, an oligarchy, or a momentary majority.
3. Concentration of power: Road to Serfdom?!
Government & Power

1. “The scope of government must be limited”
   Minimizing & limiting

2. “Government power must be dispersed”
   Decentralizing
Economic freedom

1. Market & the individual
   1. Bi-laterally voluntary transaction
   2. Free to enter & exit

2. Information
Economic freedom & Political freedom

- Private sector is a check on the powers of the governmental sector
- Economic power can be widely dispersed vs Political power difficult to decentralize.
- Freedom to employment & work: check & balance
Retreat of the Government/ State

♦ Free market & economic freedom
  • Freedom in the market & freedom in other arenas

♦ Market & the “invisible hand”
  • Efficient utilization of limited resources
Market & The Market Economy

♦ A market
  – is a mechanism by which buyers (consumers) and sellers (producers) interact to determine the price and quantity of a good or service. (Samuelson & Nordhaus, 1995)

♦ A market economy
  – is an elaborate mechanism for co-ordinating people, activities and businesses through a system of prices and markets. (Samuelson & Nordhaus, 1995)

♦ Price signal & equilibrium of supply and demand
♦ Solves the 3 problems in the production of goods
  – what, how & for whom
Challenges to the Washington Consensus
(J. Stiglitz)

♦ “The Rebel Within” – Chief economist of the World Bank

♦ China’s success
  – Pragmatic incrementalism
  – Policies often at odds with the Washington consensus

♦ Russia’s apparent failure
  – Shock therapy: privatization as its ends
  – Ignore social capital & political processes
Figure 1: Russian and Chinese Gross Domestic Product*

- Measured in constant 1987 US$.
- Source: Statistical Information and Management Analysis (SIMA) database.
Figure 2: Russian Growth and Inequality

GDP ($US millions)

Growth

Inequality

Gini Coefficient

The pos-Washington consensus
(J. Stiglitz)

♦ Goals of development:
  – Economic growth is not the only goal

♦ How to make markets work well? (Role of the Govt)
  – Financial regulation
  – Competition policy
  – Technology transfer
  – Information & transparency
  – Education

♦ Participation & ownership of the developing countries
  – Collective voice – “Jubilee” debt cancellation
  – “Code of conduct” for transnational corporations
Table 1: “Battle of Metaphors”

<table>
<thead>
<tr>
<th></th>
<th>Shock Therapy</th>
<th>Incrementalism</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Continuity vs. Break</strong></td>
<td>Discontinuous break of shock—razing the old social structure in order to build the new.</td>
<td>Continuous change—trying to preserve social capital that cannot be easily reconstructed.</td>
</tr>
<tr>
<td><strong>Role of Initial Conditions</strong></td>
<td>The first-best socially engineered solution that is not “distorted” by the initial conditions.</td>
<td>Piecemeal changes (continuous improvements) taking into account initial conditions.</td>
</tr>
<tr>
<td><strong>Role of Knowledge</strong></td>
<td>Emphasizes explicit or technical knowledge of end-state blueprint.</td>
<td>Emphasizes local practical knowledge that only yields local predictability and does not apply to large or global changes.</td>
</tr>
<tr>
<td><strong>Knowledge Attitude</strong></td>
<td>Knowing what you are doing.</td>
<td>Knowing that you don’t know what you are doing.</td>
</tr>
<tr>
<td><strong>Chasm Metaphor</strong></td>
<td>Jump across the chasm in one leap.</td>
<td>Build a bridge across the chasm.</td>
</tr>
<tr>
<td><strong>Repairing the Ship Metaphor</strong></td>
<td>Rebuilding the ship in dry dock. The dry dock provides the Archimedian point outside the water so the ship can be rebuilt without being disturbed by the conditions at sea.</td>
<td>Repairing the ship at sea. There is no “dry dock” or Archimedian fulcrum for changing social institutions from outside of society. Change always starts with the given historical institutions.</td>
</tr>
<tr>
<td><strong>Transplanting the Tree Metaphor</strong></td>
<td>All-at-once transplantation in a decisive manner to seize the benefits and get over the shock as quickly as possible.</td>
<td>Preparing and wrapping the major roots one at a time (<em>nemawashi</em>) to prevent shock to the whole system and improve changes of successful transplantation.</td>
</tr>
</tbody>
</table>
Changes in Global Context

♦ Globalization?
  – Compression of time & space
  – Integration of nation-states: dissolution of boundaries
  – Regionalization vs globalization: EU, NAFTA, APEC

♦ Globalization: for better or for worse
  – Trading, Technology-transfer, Exchange & Growth
  – Dominancy & Hegemony
    • Economic, social, political, cultural & ideological

♦ Any role for the Nation-State / Government?
Market Failure & Gov’t Role

1. Externalities
   1. Neighborhood effects, e.g. anti-pollution laws
   2. Monopoly, e.g. anti-trust laws
   3. Public goods, e.g. national defense & common school

2. Inequity & distribution
   1. Income re-distribution
   2. Minority protection

3. Macro-regulation: fiscal & monetary policies
   1. Unemployment & inflation,
   2. Manage globalization ??
An Efficient Market Economy

♦ Price signals
  – Prices should convey all the relevant information (Stiglitz)

♦ Competition
  – Institutional infrastructure to promote competitions

♦ Creative destruction (Schumpeter)
  – Movement into unemployment; social safety nets
  – Debtor-oriented bankruptcy

♦ Role of “Social capital” (Stiglitz)
  – Social trust & civil norms
  – Transaction costs & contract enforcement
Why is Education Different?

Education as Private good & Public good.

Can the Market deliver? (Henry Levin, 2001):

1. **Choice**: diversity & freedom
2. **Efficiency**: quality with minimum resource
3. **Equity**: general & marginal
4. **Social Cohesion**: integration & growth
Why Should Govt Intervene in the Education Arena?

1. Too much?
   1. In general?
   2. In the Education arena?

2. Not enough?
   1. In general?
   2. In the Education arena?
Do you want the Govt to

**Do More or Do Less** in Education?

1. More
   1. Why?
   2. In what areas?
2. Less
   1. Why?
   2. In what areas?
Do you want the Gov’t to

**Do More or Do Less** in Education ?

<table>
<thead>
<tr>
<th>Gov’t should do ..</th>
<th>What Areas?</th>
<th>Why?</th>
</tr>
</thead>
</table>
| **More**          | 1.  
                     2.  
                     3.  | 1.  
                     2.  
                     3.  |
| **Less**          | 1.  
                     2.  
                     3.  | 1.  
                     2.  
                     3.  |
Making Globalization Work
Role of Education

♦ Language of international exchange

♦ Abilities & skills
  – Overcoming the barrier of “comparative advantage”
  – Taking advantages of international exchange (knowledge & technology)
  – Education expansion & distribution

♦ Global citizenship?
  – Understanding, tolerance & mutual respect
  – Peace & global concerns
School Reform – Global Trend?

♦ The role of the State in education
  – Efficiency vs ideology
  – The fall of “central control”
  – Rise & fall of the Public School
  – State role re-visited

♦ Privatization in education
  – Privatization & “marketization”
  – Compromises & synthesis: State & Market in education
Accelerated Education for an Accelerating Economy (H. Levin)

Education Implications

- 1. Initiative
- 2. Cooperation
- 3. Working in groups
- 4. Peer training
- 5. Evaluation
- 6. Reasoning
- 7. Problem-solving
- 8. Decision-making
- 9. Obtaining & using information
- 10. Planning
- 11. Learning skills
- 12. Multicultural skills

Education & the Ability to Deal with Change