‘Facilitating’ globalization processes: Financial technologies and the World Bank

Dean Neu, Elizabeth Ocampo Gomez, Omar García Ponce de León and Margarita Flores Zepeda

Abstract

This article examines how the World Bank operates as a coordinating agency within the field of higher education and how its specific financial technologies operate as the carriers of globalization practices. By focusing on organizations such as the World Bank, we can identify and trace the mechanisms through which globalization practices are diffused. We do so by identifying and discussing the three main activities used by the World Bank to wield its authority and influence: lending, technical assistance, and the publication of reports.

‘The great beauty of globalization is that it is not controlled by any individual, any government, any institution.’ (Robert Hormats, Vice Chairman of Goldman Sachs International, quoted in Steger p 61)

Apparently, the age of globalization is upon us. Just as postmodernism was the buzzword of the 1980s, globalization has been the buzzword of the 1990s and beyond (Waters 1995, p. 1). Both within the popular and academic press, discourses about globalization have been ubiquitous. The term has been used not only as a short-form description for the multitude of heterogeneous and contradictory processes that are shaping life in the early twenty-first century but also, depending on the vantage-point of the user, as a positive or negative descriptor of this new world order (cf. Steger 2002).

As numerous commentators have observed, the world as we know it has changed over the past 50 years. The rise of international financial markets, the disintegration of the eastern bloc, the compression of time and space are but some of the observed changes (cf. Harvey 1989; Giddens 1990). That the world of finance and politics has undergone and is undergoing rapid and extensive change is not disputed. Even
critics of the notion of globalization such as Hirst and Thompson acknowledge the ‘internationalization of major financial markets, of technology and of certain important sectors of manufacturing and services, particularly since the 1970s’. Rather what is at issue is how these changes should be interpreted and whether they should be interpreted as evidence of increasing globalization or not.

In addressing the issue of interpretation, Steger draws our attention to the differences between empirical observations and interpretive framings of these observations suggesting that we distinguish between globalization and globalism:

‘globalism constitutes a coherent discursive regime that shapes the social understandings of authority, but it is not a monolithic ideology. A complex phenomenon, it comes in many variations on the main theme of market liberalization. . . . [Its] preferred method is to employ its dominant codes and hegemonic meanings as battering rams to crush the remaining obstacles in the path of global capital (Steger, 2002, p. 13).

Thus for Steger, globalism refers to a discursive matrix that has certain ideological effects (Eagleton, 1991, p. 194). These effects include the attempt to equate globalization with the liberalization of markets, to assert that globalization is inevitable, to suggest that globalization is an ‘agency-less’ process and finally to claim that globalization furthers democracy and benefits everyone. As his analysis illustrates, these discursive strategies ‘erase, naturalize and homogenize’ (Eagleton, 1991, p. 202) key aspects of globalization processes and the interests that benefit from these processes.

If the discourses of globalism ‘erase, naturalize and homogenize’ complex social processes, do these discourses actually hinder our understanding of globalization processes? We posit the affirmative. First these discourses tend to erase issues of agency, both at the level of general and particular fields (Bourdieu and Wacquant, 1992). There has been little discussion of the mechanisms and coordinating agencies that ‘facilitate’ globalization. Within the accounting and finance literatures, such discussions have tended to focus on the role of financial market liberalization and the harmonization of accounting standards (Manassian, 2001; Lehman and Okcabol, 2002 forthcoming). As a consequence, minimal attention has been given to the interests and facilitating activities of groups such as the accounting profession (Cooper, Greenwood et al., 1998) and extra-governmental organizations such as the World Bank and IMF (Annisette, 2002; Uddin and Hopper, 2002). Second, these discourses tend to homogenize the global and local in the sense that the term globalization is used to denote ‘global’ processes and consequences when, in fact, the processes and consequences are ‘field specific’ (Garay, 1997, p. 30; Bourdieu and Accardo, 1999). Finally, there
is the tendency to focus on explicitly ‘economic’ fields such as stock markets (Neu, 2001) and to concentrate on ‘core’ countries. Thus the impact of these processes in other fields, especially within ‘peripheral’ settings, has received less attention.

In this paper, we start from the assumption that if one wants to understand how globalization processes ‘work’, it is necessary to concentrate on a specific ‘coordinating’ agency and to analyze a particular institutional field. The following analysis focuses on the World Bank and their activities in the area of higher education. While we acknowledge that the World Bank is but one of a series of coordinating institutions, its role as ‘financial lender’ as well as advocate of ‘best practices’ in the area of education makes it particularly interesting (Jones, 1992). The field of higher education was chosen both because of the authors’ familiarity with this field as well as the significant changes that have been occurring within the field (Balan and Trombetta, 1996; Brunner, 2000).

Starting from a ‘close reading’ of World Bank policy documents pertaining to higher education as well as a review of lending agreements in this area, we consider three questions: (1) how does the World Bank function as a coordinating agency within the field of higher education? (2) how does the World Bank envision and use accounting/financial mechanisms within this sector? And (3) what are the likely consequences of World Bank involvement within this field? Our analysis and interpretation of the aforementioned documents was informed by our on-going research in this area (Neu, Graham et al., 2002), including discussions with Ministry of education officials and other higher education participants in several countries.

We expect that the analysis will contribute to our understanding in several ways. First, the analysis proposes that the World Bank operates as a coordinating agency within the field of higher education and that specific financial technologies operate as the carriers of globalization practices. Financial technologies are not only used to ‘envision and solve’ perceived educational problems but also represent some of the specific practices that are diffused to distant fields. Thus financial technologies such as accounting represent both macro and micro level solutions to perceived problems within the field. By concentrating on a specific coordinating agency and a specific field, the provided analysis illustrates how globalization practices come to be transferred across differing fields. Furthermore while the provided analysis is field-specific, anecdotal evidence from other fields (Rahaman et al., 2001c forthcoming) suggests that organizations such as the World Bank fulfill similar coordination roles in other sites. Thus we expect that the provided analysis will provide a starting point for examining how coordinating agencies ‘facilitate’ globalization and for understanding the role
and functioning of techniques of financial governance within these processes.

**Coordinating agencies**

Globalisation can thus be defined as the intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa (Giddens, 1990, p. 64).

According to Giddens (1990), Harvey (1989), Waters (1995) and others, globalization is a dialectical, contradictory, unequal, heterogeneous and discontinuous process that is changing the nature of the world as we know it. One suggestion is that these processes and attendant consequences are produced and reproduced in three inter-related but discrete spheres—the economic sphere, the political sphere and the cultural sphere (cf. Waters, 1995; Garay, 1997). The economic sphere refers to the social arrangements for the production, exchange and distribution of goods and services; the political sphere refers to the social organization for the coordination, application and legitimate use of force in various areas for the conservation of public order; and the cultural sphere refers to the social conscience of society that represents the values, beliefs and history of a particular society. From this vantage point, globalization refers to a series of social processes in which the restrictions of geography in the organization of social and cultural arrangements disappear (Garay, 1997, p. 30).

In making sense of the aforementioned social processes, we would like to suggest that Bourdieu’s notions of field, capital and habitus are particularly useful (Bourdieu and Wacquant, 1992; Bourdieu and Accardo, 1999) because they provide us with a way of thinking about the role of coordinating agencies within globalizing processes. According to Bourdieu, fields are ‘networks of social relations, structured systems of social positions within which struggles or maneuvers take place over resources, stakes and access.’ Fields resemble ‘games’ in that different actors struggle to establish a monopoly over the valid types of capital and, hence, the mechanisms of reproduction within the field (Oakes, Townley et al., 1998; Everett, 2002). Different fields exhibit differing configurations and hierarchies of capital (i.e. economic, cultural and symbolic) depending on the nature of the field and its historical trajectory. Likewise, this configuration and history influences the degree of autonomy that the field has from economic and state forces (Lane, 2000, p. 167, 184).

Implicit within the notion of field is the idea that those actors who possess significant amounts of the dominant type of capital have a greater ability to define what ‘counts’ within the field. Bourdieu (1985)
refers to this as the legitimate ability to name, noting that the power to name and interpret the significance of certain activities is central to the ability to both legitimize certain forms of capital and to define appropriate practices. Likewise Oakes et al. comment that:

Naming is also powerful because it displaces existing names, identities and understandings that ground organizational actors, making it possible for them to maneuver comfortably within a field. Every field is characterized by the struggle to monopolize legitimate naming (Oakes, Townley et al., 1998, p. 272).

This power to name includes the ability to define what vocabularies should be used to make sense of day-to-day activities (Everett, 2001). As we illustrate in later sections, organizations such as the World Bank possess this power of naming via their ability to define ‘best practices’.

Day-to-day practices are a component of habitus—that is, the ‘durably inculcated system of structured, structuring dispositions’ (Bourdieu, 1990, p. 52) that are inculcated in the body and ‘exists in the form of mental and corporeal schemata’ which mediate perception, appreciation and action (Everett, 2002, p. 65). Habitus includes the language that we use to describe and make sense of our activities. It is also the implicit values and beliefs that are taken-for-granted yet guide our daily activities (Bourdieu, 1990, p. 61). For Bourdieu, habitus represents the idiosyncratic but taken-for-granted meanings and practices of a particular institutional field that both rationalize and reproduce the hierarchy of capitals within the field (pp. 57–58). Thus habitus is both determined by and constitutive of the type and volume of capital in a field.

Bourdieu’s notion of field is provocative in that it allows us to re-think the relationships between the local and the global. Local, in this context, refers to a specific institutional field with a discrete set of actors and a relatively durable hierarchy of capitals and patterns of interaction. Global, in contrast, refers to ‘other’ institutional fields or some aggregation of distant institutional fields where this aggregation is taken to re-present a commonality across fields. In this sense the notion of ‘global’ is itself a product of the ‘ability to name’ in that it is an arbitrary social construct that is the consequence of certain groups having the necessary symbolic capital to denote a set of particular social practices as being common across fields (cf. Bourdieu, 1990, p. 67).¹ Thus

¹ Arguably, we could also talk about the globalization of poverty in that poverty is a reality for the majority of the inhabitants of the majority world (Watkins, K. 1999). However this pattern of commonality across differing institutional fields is not part of the dominant globalization discourse.
the term global is both a re-presentation of what is apparently common across other institutional fields and an implicit ordering of the value/appropriateness of certain practices.

From this vantage point, globalization consists of two inter-related activities. First is the naming and definition of certain activities as being common to one or more important institutional fields. Second, it is the diffusion of these practices to other institutional fields. Thus Bourdieu’s notion of field encourages us to ask: how is it that certain aggregations of practices in particular institutional fields (and which fields) come to be taken as re-presenting global practices and what are the mechanisms that encourage isomorphism across these different fields?

In answering these questions, we propose that coordinating agencies such as the World Bank, IMF and OECD occupy a unique position. Because of their positioning within the web of international institutions and connections to the world’s major economic powers, these organizations possess significant economic, social and symbolic capital. Furthermore, consistent with the observation that ‘knowledge is power’ and that a ‘dialectic exists between information and control’ (Said, 1979, pp. 80–81), these organizations operate some of the largest information collection and dissemination services in the world (Jones, 1992). Through their promotion of ‘best practices’ and through the publication of ‘performance indicators’ these organizations indirectly and directly influence the day-to-day practices of distant fields. As DiMaggio and Powell note, in a world characterized by high levels of uncertainty between actions and outcomes, mimetic and normative isomorphism encourage the adoption of the practices promoted by ‘legitimate’ others (DiMaggio and Powell, 1983, p. 151).

These organizations also possess significant economic capital. Not only do these organizations operate in a variety of different institutional fields they also possess the economic capital necessary to facilitate the diffusion of specific practices. The economic capital of the World Bank and IMF, as evidenced by their lending activities, provides them with the ability to encourage—what DiMaggio and Powell refer to as coercive isomorphism—the adoption of certain practices thereby changing the day-to-day practices of previously autonomous fields. In this way, these organizations function as conduits for certain institutional practices thereby facilitating isomorphism across heterogeneous fields (Jones, 1992; Rodríguez-Gómez and Alcántara, 2001).

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2 One important thing about Bourdieu’s notion of capital is that one has symbolic capital only to the extent that other forms of capital (cultural, social, economic) are deemed legitimate or valuable. Having centrality in a network or even money confers symbolic capital only if centrality or money is deemed important in that field.
The promotion of certain practices through mimetic, normative or coercive means provides a partial explanation for how globalizing practices are diffused. For example, Neu et al. (2002) illustrate how World Bank lending agreements in the area of education require borrower countries to introduce specific management information systems, performance indicators, service contracting procedures and auditing practices. These procedures change the way that the business of education is conducted in these distant fields, in essence imposing a ‘standardized’ system of education management on borrower countries. However, more subtly, coordinating agencies such as the World Bank and the ‘experts’ that they call on (often university academics) to support their position change the vocabularies that are used to think about education in that education is constructed as an ‘investment’ activity with returns to education being measured in economic terms via performance indicators (cf. Puiggros, 1997; OAS, 2000). This shift in vocabulary has the potential to change the hierarchy of values and capitals implicit within the field.

Before moving on to our discussion of the World Bank, it is useful to briefly comment upon the similarities between the processes of colonialism and globalization. In previous epochs, the physical presence of an imperial power supported by technologies of military force (Headrick, 1981) was usually the first step in the colonization of distant territories (Said, 1979). This was then followed by the introduction of technologies of government such as accounting and information systems that sought to simultaneously return information to imperial centres and to change the habitus of inhabitants in the territories (Miller and Rose, 1990; Neu, 1999; Neu, 2000). In contrast, globalization processes do not usually depend on the implantation of an invading army in a distant territory. Rather it is the insertion of transnational corporations, non-governmental organizations (NGOs) or coordinating agencies such as the World Bank that are often the point of initial contact (Galeano, 1997). However like the processes of colonialism, the insertion of these institutions changes both the distribution of capital within the field and the habitus within the field (Neu et al., 2002). These similarities have led others such as Amin (September 2001) to suggest that globalization simply represents a new-style colonialism.

In summary, we have proposed that globalizing practices are diffused via coordinating agencies such as the World Bank. These organizations ‘produce’ information and reports about ‘best practices’. In turn, because of their symbolic capital and because of the existing uncertainty in many fields over the relationship between actions and outcomes, distant fields adopt these practices for mimetic reasons. At the same time, the economic clout of these organizations combined with financial need in many fields allows organizations such as the World Bank
to impose certain practices as a condition of receiving loans (Boron and Torres, 1996). Thus, in this way, these organizations ‘facilitate’ the diffusion of practices across fields. In the next section we provide some historical detail on the World Bank and then we turn to consider its impacts within the area of higher education.

The World Bank

The World Bank, despite the complexity and diversity of much of its work, needs to be understood primarily as a bank. Its operations in such a sector such as education cannot be understood otherwise (Jones, 1992, p. 1)

The history of the bank

Towards the end of the Second World War and the period immediately following, the victors began to envision a post-war system of multi-lateral cooperation (Rodríguez-Gómez and Alcántara, 2001, p. 508). One of the institutions to emerge was the World Bank. The World Bank was envisioned as an organization that could prevent the destabilization of international markets and the widespread defaulting on international borrowings that characterized the pre-war decade (Jones, 1992, p. 2). ‘The IMF—charged with the immediate relief for governments’ balance of payment problems and with short-term exchange rate stabilization—shared premises with the Bank at the beginning and today is located across the street from the Bank’s main building’ (p. 3).

In the beginning, subscribing member governments provided nominal capital subscriptions and the remainder of the monies came from the capital markets:

What emerged was a bank whose members were governments, each of which forwarded relatively small capital subscriptions, but whose guarantees were considerable. . . . As a result, its reliance for working, loanable capital rested with the market-place, and hence the credibility of the bank in the eyes of private investors was, and remains critical (Jones, 1992, p. 3)


Initially, stand-alone projects involving tangible infrastructure assets were preferred by the Bank since these projects were easier to evaluate in terms of the expected benefits. They also had the added benefit of satisfying the external capital markets that the bank had collateral for its loans (Jones, 1992, p. 17). Not until the early 1960s (when other
lending opportunities began to decrease) did the Bank start to lend in softer areas such as education and it was not until the 1980s that the bank began to provide significant amounts of program (as opposed to project) funding (Rodríguez-Gómez and Alcántara, 2001, p. 509).

**Investing in higher education**

In the area of higher education, the World Bank has been active in providing loans, technical assistance activities and in publishing policy documents that recommend ‘best practices’. Before looking at these three activities in more detail, it is useful to provide some demographic and historical information on World Bank lending activities in this sector as a way of framing the following analyses.

While World Bank lending activities in the area of education commenced in the early 1960s, it was not until the early 1970s that the Bank began to fund projects in the ‘tertiary’ education sector—where tertiary education is defined as a level beyond secondary education and including both university and non-university types of institutions and programs. As Figure 1 illustrates, the amount of lending in this area has gradually increased over the last 30 years but on a yearly basis there is a high degree of variability in lending activities. Over the 1990–1999 period, loans to this sector amounted to around $350M annually. In terms of loan recipients, Figure 2 highlights that over 50% of the projects funded have been in Asia with Africa and Latin America receiving slightly less that 20% of the projects each and Europe slightly more than 10% of the projects.

![Annual World Bank Funding of Tertiary Education Projects (1964–2002)](image)

*Includes IBRD (International Bank for Reconstruction and Development) and IDA (International Development Association) Funding Commitment*

**Figure 1 – Annual World Bank Funding of Tertiary Education Projects (1964–2002)**

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Lending activities

According to Jones (1992) the World Bank is first and foremost a bank, and thus needs to be understood as such. Therefore its lending activities are one of the primary methods through which globalizing practices are diffused. Lending activities facilitate diffusion through both the types of projects that the bank agrees to fund and the covenants contained in the lending agreements. In this section we use the lending agreement between Mozambique and the World Bank to illustrate both of these processes.

In February 2002, the World Bank agreed to lend Mozambique $60M US to improve its higher education system (World Bank, 2002). As the project appraisal document indicated, the primary objective of the loan was to encourage ‘System-wide Reform and Development’. The project also contained funding for the development of specific university programs and for the establishment of a student loan program. Not surprisingly, the components of the Mozambique project were similar to those contained in other World Bank funded education projects. The emphasis on ‘muscle building’, that is the strengthening of financial management and administrative systems has long been a hallmark of World Bank projects (Jones, 1992, p. 98). Recent higher education projects in Egypt (2002), Jordan (2000) and Chile (1998) all attempt to ‘restructure system governance, and management, so that conditions are in place to support improved sector efficiency, and quality.’ (World Bank, 2002).
In part, the similarities across projects are a result of the (self)-selection procedures inherent in the loan approval process. For example, Jones comments that:

No account of Bank financing of education can avoid the persistence with which loan officers have exerted pressure on potential borrowers to fall into line with the Bank’s own educational priorities. If governments were to obtain their desired access to foreign exchange, then their statements of educational priorities had to match the Bank’s (Jones, 1992, p. 76).

This suggests that the project selection practices of the Bank ‘encourage’ borrower countries to tailor their projects to satisfy the perceived criteria of the Bank. Diffusion in this case occurs because of the financial needs of the borrower countries.

In the Mozambique loan, reform and development of the higher education system referred primarily to the introduction of systems of financial governance with the development of a ‘new regulatory, fiscal and accountability framework’ being one of the key priorities. Included in the project appraisal document was a detailed description of the financial management system that was to be implemented:

The principal objective of the project’s financial management system (FMS) will be to support management in their deployment of limited resources, with the purpose of ensuring economy, efficiency and effectiveness in the delivery of outputs required to achieve desired outcomes, that will serve the needs of the people of Mozambique. Specifically, the FMS must be capable of producing timely, understandable, relevant and reliable financial information that will enable management to plan, implement, monitor and appraise the Project’s overall progress towards the achievement of its objectives. For the Project to fully deliver on the aforementioned objectives, it’s FMS will be developed in accordance with the Financial Management Action Plan presented in Annex 5.

Salient features of the Action Plan include: the retention of a Financial Management Consultant to advise on the selection and installation of the Project’s computerized FMS (using a spreadsheet and/or an integrated accounts package), to prepare the Project’s Financial Procedures Manual (including records management) and to train staff in the operation of the system; the establishment of a representative Financial Management Board; the recruitment of a national qualified Financial Manager/Financial Management Consultant; the appointment of Project Accountants for each of the participating institutions and the availability of support staff; capacity building; the establishment of a Fixed Assets Register and a Contracts Register; monthly bank reconciliations and quarterly reporting of financial information; cash flow management including variance analysis; and an annual external audit that will be undertaken on terms of reference acceptable to the Bank (World Bank, 2002, p. 22).
The above quotations highlight the centrality of financial technologies to the project of re-forming higher education in Mozambique. On one level, we observe the implanting of ‘first world’ financial techniques into this field. Through the introduction of a financial reporting system along with detailed accounting techniques such as monthly bank reconciliations, variance analysis and external auditing, the Bank sought to change the way higher education was managed. On another level, these techniques were expected to have more subtle effects on habitus in that the Bank expected them to ‘encourage a culture of accountability’ (p. 68). Ironically, two of the new university programs to be introduced as a result of the lending agreement are business administration and accounting (p. 13).

The centrality of these financial mechanisms to the entire project is reinforced in the main credit conditions. These are the conditions that must be satisfied before funds are dispersed. In this case, the first condition is an ‘effectiveness’ condition and two of the five sub-conditions pertain to these financial technologies: (a) the external Auditors have been appointed; and (d) the Borrower has established a financial management system, in form and substance acceptable to the Association (p. 27). Thus our reading of this lending agreement and others (see also Neu et al., 2002), suggests that specific practices are diffused both through the type of projects that the Bank decides to fund and the covenants contained in the loan agreements. As the above loan excerpts illustrate, accounting, auditing and accountability mechanisms are a central component of these covenants.

Technical assistance activities

Although lending is a key activity of the Bank, its technical assistance activities are one of the ways that the Bank has distinguished itself from other lenders:

> With time, the competitive advantages of the Bank came to lie in its in-house expertise; it was a specialist institution that focused on development. This meant that, with its increasing number of specialist staff, the Bank was able to provide advice far beyond the capacity of the traditional banking sector (Jones, 1992, p. 18).

This technical assistance involves not only advice on how to design and implement a specific project but also more general advice on how to run one’s economy. As a World Bank document states, one of the key areas of assistance is in recommending ‘improvements in the government’s economic and financial policies and organization in order to facilitate and encourage further development’ (quoted in Jones, 1992, p. 20).

On the surface, this technical assistance operates as a form of normative isomorphism (DiMaggio and Powell, 1983) encouraging the diffu-
sion of ‘best practices’ across institutional fields. The accountants, architects and economists employed by the Bank provide borrower countries with advice on how to best achieve ‘their’ (sic) objectives. Furthermore through on-going formal and informal discussions both prior to and during the project (Jones, 1992, p. 14), officials in the distant fields are encouraged to participate in a pedagogy of learning (Oakes, Townley et al., 1998) whereby bank officials encourage the officials to actively construct themselves as change agents in the process of institutional improvement and learning.

While normative isomorphism is usually thought to be a partial response to uncertainty (DiMaggio and Powell, 1983; Neu, 1992), in the case of technical assistance the Bank also exerts a coercive influence. Borrower countries are aware of what type of projects the Bank is interested in funding and the lending officers are actively involved in ‘selling’ certain types of solutions to educational ‘problems’. This asymmetry of economic capital between the Bank and borrower countries has often resulted in the promotion and implementation of ‘one size fits all’ projects—projects where Bank professionals design, sell and implement standardized educational solutions regardless of the characteristics of the institutional field (Jones, 1992, p. 12). Thus the coercive and normative influences implicit in the Bank’s technical assistance activities represents another way in which standardized practices are diffused to distant fields.

The publication of reports

Bank aspirations are to influence policy decision-making around the world. That process of persuasion starts inside the Bank, is extended direct to borrowers, and then usually finds its way into the public domain, through the press, international agencies and academic discourse (Jones, 1992, p. 13).

Through its report publication activities, the Bank ostensibly summarizes its experiences within particular areas and provides recommendations regarding what should be taken as ‘best practices’ within the area. The Bank’s 1995 report on higher education called ‘Higher Education: the lessons of experience’ is an example of this type of report (World Bank, 1995). We use this report to illustrate the centrality given to financial technologies.

The starting point for the report is the assumption that higher education is in crisis. In the developing world, rates of student participation are increasing while the financial ability of developing countries is remaining stagnant or decreasing. This has resulted in a situation of inadequate resources, deteriorating physical and human infrastructure and inadequate quality. In the words of the Bank:
Despite the clear importance of investment in higher education for economic growth and social development, the sector is in crisis throughout the world. . . . The crisis is most acute in the developing world, both because fiscal adjustments have been harsher and because it has been more difficult for developing countries to contain pressures for enrolment expansion, given relatively low enrolment rates. . . . The quality of teaching and research has deteriorated precipitously in many countries. In these countries, higher education institutions operate under adverse conditions: overcrowding, deteriorating physical facilities, and lack of resources for non-salary expenditures such as textbooks, educational materials, laboratory consumables, and maintenance (p. 12).

The solution, according to the Bank, is to re-form higher education systems to make them more efficient and thereby to provide a higher quality education and an educational system that is more equitable (p. 14). While the Report lists four reform directions a substantial portion of the report is devoted to talking about how financial technologies can facilitate reform. In particular, the Report talks about the importance of financial incentives, performance indicators and financial management procedures.

In the area of financial incentives, the Report stresses the need to introduce incentive mechanisms that reward performance. Using OECD countries as an example, the Report suggests that the practices of these countries provide a model for other institutional fields:

The distribution of public resources to tertiary institutions in most countries is based on negotiated budgets. This fails to provide incentives for efficient operation and quality improvement and makes it difficult to adjust the distribution of financial resources to changing circumstances. Alternative mechanisms that link funding to performance criteria are being used increasingly by OECD countries and could be considered in developing countries as well (p. 18)

In this quotation, we can observe how the power of naming works in that OECD countries are used as the point of reference, implying that the procedures that are ostensibly common to these institutional fields should be diffused to other institutional fields.3

In the area of performance indicators, the Report proposes that educational institutions need to have more autonomy but at the same time need to be more accountable. Performance indicators are one of the ‘solutions’ to this dilemma. Performance indicators that are ‘connected’ to funding encourage the efficient utilization of public resources:

Countries that rely on performance-based allocation mechanisms are in a better position to foster efficient use of public resources. Perfor-
formance indicators are most effective when they are clearly related to institutional goals and when they are used as aids in decision-making, not as rigid determinants of funding (p. 75).

The promotion of performance indicators as part of the solution is interesting in several ways. First, the majority of the Bank’s loan agreements make extensive use of performance indicators. In some of the agreements, the performance indicators serve as triggers for subsequent funding (Neu, Graham et al., 2002). Furthermore, affiliated institutions such as the OECD (cf. OECD, 2002) collect and publish the resulting comparative performance indicator information thereby giving credibility to and rationalizing the use of such information in evaluating the educational performance of different fields. Through such reinforcement, we see how the prescriptions of the Bank in this area ‘enlist, echo and harmonize with’ (Lehman and Tinker, 1987) the globalism discourses of affiliated institutions. In these ways, the web of performance indicator information serves to both govern and structure heterogeneous institutional fields, functioning as a panoptic mode of control (Foucault, 1984).

In terms of financial management procedures, the Report advocates the type of mechanisms that were introduced in the Mozambique project.

Many higher education institutions need stronger management to administer their resources. Even within the limits of existing financial resources, much progress can be achieved if strict management procedures and simplified budgetary rules are followed. Improving management practices also involves the development and utilization of comprehensive management information systems to support decision-making process. Reliable data on enrolments, internal efficiency, expenditures, and costs are still not available in many institutions. Sound management information is essential for planning activities, allocating resources, making management decisions, and guiding innovations (p. 75).

In these examples, we observe the linkage between the lending, technical assistance and report publication activities of the Bank. The same solutions that are advocated by bank experts when providing technical assistance are implemented within the lending agreements and then reported as the ‘lessons learned from experience.’ This mutually reinforcing ‘ideological circle’ (Smith, 1990) facilitates the diffusion of standardized practices by coercive, normative and mimetic means.

In terms of this mutually reinforcing process, the reports offer educational officials in non-borrower institutional fields a different rationale for adopting these policies. Rather than receiving financial resources—economic capital, officials receive symbolic resources in the form of legitimacy (Singh, Tucker et al., 1986; Oliver, 1991), that is, symbolic capital, the most enduring and valuable of the many forms (Bourdieu, © Blackwell Publishing Ltd. 2002.
1977). Such capital is especially important when there is uncertainty about the best course of action (DiMaggio and Powell, 1983). The irony of course is that the coercive isomorphism implicit in the lending practices allows the Bank to demonstrate in its publications the number of adopters that, in turn, makes a stronger case that officials in other institutional fields should adopt these ‘solutions’ for legitimacy reasons. Thus through the web of coercive and normative practices an ideological circle is constructed which encourages other fields to adopt these same practices for mimetic reasons. Stated differently, the World Bank is establishing a global ‘orthodoxy’ (Bourdieu, 1977) through its successful efforts to name what constitutes legitimate practice in a multiplicity of local fields.

Discussion

The current study started from the premise that an understanding of globalization requires us to think of specific globalizing practices within specific institutional fields. While we acknowledge the ubiquity of globalization discourses, we propose that these discourses are problematic in that they erase, homogenize and universalize globalization, thereby distracting us from the institutions that facilitate the diffusion of practices across heterogeneous fields.

To help us to understand these processes, we focused on the activities of the World Bank within the field of higher education. We suggested that the World Bank be viewed as a coordinating institution that facilitates the diffusion of practices across different higher education institutional fields. Starting from the ideas of Bourdieu we proposed that the World Bank—because of its economic, social and symbolic capital, that is, because of its material resources, its positioning within a variety of institutional fields, and the legitimacy that has been conferred upon this organization by those in the widespread field of power—is in a unique position to encourage the spread of its preferred practices. In turn, these practices have the effect of homogenizing the practices, vocabularies and values of previously heterogeneous fields, what we have referred to as the habitus of the field.

Our analysis identified three generalized activities of the Bank—lending activities, technical assistance activities and report publication activities—that facilitated the diffusion of practices within the field of higher education. These activities involved varying degrees of coercive, normative and mimetic influence and were partially dependent on the economic, social and symbolic capital of the Bank. Furthermore within these activities financial technologies were salient. Financial technologies were used to both ‘envision’ solutions to the crisis in higher education as perceived by the Bank and to ‘solve’ these problems. Thus
accounting and budgeting systems, performance indicators and other accountability mechanisms along with auditing practices were imposed upon distant fields through Bank lending agreements and/or recommended by Bank experts or Bank publications. In this sense, these financial technologies, via their impact upon the habitus of distant fields, were both the practices that were being globalized and the ‘carrier’ of globalizing practices.

While the current study begins the process of identifying and tracing the mechanisms through which globalizing practices are diffused, additional work is clearly necessary. In terms of higher education, we still do not have a very good sense as to how these mechanisms are received, interpreted and implemented within specific fields, that is, we do not understand the specific effects that they have on the habitus of a field. Further, such context-specific investigation would help determine if the World Bank’s efforts at naming the legitimate language and practice in a field affects the distribution of access to capital in a field, that is, whether the World Bank’s imposition of a global orthodoxy in effect amounts to a form of ‘symbolic violence’ (Bourdieu, 1977). Thus more field-specific analysis is needed to extend our understandings in this area. Second although we suspect that the activities of the World Bank in areas other than education are likely to be similar, additional investigation is needed as to how facilitation works in these other fields. In this respect, the work of Rahaman (Rahaman and Lawrence, 2001a; Rahaman and Lawrence, 2001b; Rahaman et al., 2001c forthcoming) as well as Hopper and colleagues (Uddin and Hopper, 2002) provides a promising starting point. Finally, more work is needed that examines the facilitation activities of other organizations such as the OECD, IMF and WTO. For example, a recent report entitled ‘Higher Education in Developing Countries: Peril and Promise’ was co-sponsored by the World Bank and UNESCO with the support of organizations such as the Ford Foundation, the Rockefeller Foundation etc (UNESCO, 2000). In this report we observe the coming together of a series of coordinating agencies to promote a common vision for higher education. Through an examination of the activities of these institutions both individually and jointly, we will be in a better position to understand the what, why, and, most importantly, the how of globalization.

References


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