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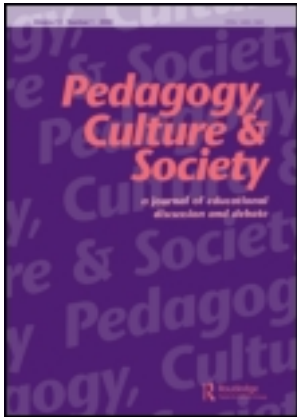
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Voting with dollars: philanthropy, money and education policy

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REVIEW ESSAY

Voting with dollars: philanthropy, money and education policy

The gift of education: public education and venture philanthropy, by Kenneth J. Saltman, New York, Palgrave Macmillan, 2010, 185 pp., £20.99 (paperback), ISBN 978-0-230-61515-1

Philanthropy is fashionable again. The rich want to give, or ‘give back’, they want to solve the problems of the world. On the other hand, governments are attracted by the influx of new money, the new ideas and the savings that might be achieved from new forms of service delivery, that this desire entails, especially in the face of constant criticism of the failings of public-sector organisations. The ways in which social and educational problems are being organised and addressed, nationally and globally, is changing in response to the methods of ‘new’ philanthropy and the privileging of ‘market-based’ solutions to these problems. This new model of philanthropy is what Edwards (2008) calls ‘philanthrocapitalism’, a merging of venture philanthropy with social enterprise, a new ‘economic rationalization of giving’ (Saltman).

We are now officially in the era of ‘phylantrepreneurs’ where the difference between a VC [venture capital] fund and a foundation, a hot start-up and social venture become totally blurry.¹

New philanthropy is the end point of a three-stage move from palliative giving, that is traditional philanthropy (philanthropy 1.0), to developmental giving (philanthropy 2.0), and, finally, to ‘profitable’ giving (philanthropy 3.0). New philanthropy is bringing new players into the field of social and education policy, and repopulating and reworking existing policy networks. This reconfiguration of influence and effect rests upon a double moral shift in the conception of the relationship between charity, policy and profit. On the one hand, corporate and family foundations and philanthropic individuals are beginning to ‘assume socio-moral duties that were heretofore assigned to civil society organizations, governmental entities and state agencies’ (Shamir 2008). On the other, these new philanthropists see the possibility of a relationship between profit and the solution of entrenched social problems. That is, it is possible to ‘do good and have their profit, too’.² Ted Turner, founder of CNN, claims ‘certain areas of making the world better do lend themselves very comfortably to for-profit operations. Why should we be afraid of that?’³

In 2008, Bill Gates, the world’s third richest man,⁴ outlined his approach to philanthropy as ‘creative capitalism’. In a speech at the World Economic

Forum in Davos he presented this as ‘an approach where governments, businesses, and nonprofits work together to stretch the reach of market forces so that more people can make a profit, or gain recognition, doing work that eases the world’s inequities’.⁵ His message was unequivocal and unidirectional: where states, multilaterals and traditional non-governmental organisations had failed the market can succeed. Gates went on to say: ‘the challenge here is to design a system where market incentives, including profits and recognition, drive those principles to do more for the poor’. This new conception of philanthropy and aid intentionally blurs the line between business, enterprise, development, and the public good and private interests (in several senses), and poses fundamental questions about the methods and future role of traditional development agencies and public-sector service providers. From a similar standpoint, the Clinton Global Initiative (CGI) maintains that:

Traditional approaches to aid are not enough to address the great global challenges of our time. Market-based solutions show incredible promise to solve these daunting problems on a systemic and widespread level. These approaches, however, are still in a nascent stage. Corporations are researching and developing better business practices that meet social and environmental bottom lines while producing profits. Non-profits are pioneering enterprise-based models that offer potential for long-term sustainability. Governments are contributing their resources to encourage and support market-based approaches.⁶

These ‘new’ philanthropists achieved their billionaire fortunes through their activities in capitalist markets and believe that their entrepreneurial philosophy can be translated and put in the service of charity. Their philanthropic activity is driven by their intention to ‘do more with less’.⁷ This is a purposeful mix of caring and calculation or, as Bronfman and Solomon (2009) put it in the sub-title of their book *The Art of Giving*, this is where ‘The soul meets a business plan’. There is then, both a reconfiguration of the field of education policy and a shift from a focus on ‘correcting for’ to ‘connecting to the market’ (Brooks et al. 2009).

The new philanthropists are addressing ‘grand challenges’ and looking for ‘silver bullets’. Silver bullet solutions⁸ have three components; they are technical (usually based on the application of a single, new technology), they are generic (that is, universally applicable, irrespective of the diversity of local contexts), and they are scalable (amenable to ‘scaling up’ from local to national and even international levels). The ‘grand challenge’ is more recent and takes the idea of the silver bullet further in directly addressing the goal-driven development agenda, like the Millennium Development Goals, and again appeals to a new generation of private philanthropists seeking to apply business methods to ‘strategic’ giving – that is, problem-focused, interdisciplinary, time-limited, ‘high impact’. The focus is on ‘extending leverage’ through fostering collaboration – and convergence – between the public and private

sectors. Grand Challenge solutions involve the use of ‘all tools, all the methods, of financing social change’ (Wales, in Brilliant et al. 2007, 3–4).

For example, the Bill & Melinda Gates Foundation have taken this approach within the field of health through the programme ‘Grand Challenges in Global Health’⁹ and, more recently, also in relation to education. The Foundation states on their website:

Our primary focus is on improving public education ... We also use advocacy to raise awareness of the issues we face, inform government policy, and develop new and innovative ways of financing initiatives that improve outcomes.¹⁰

In education, the US Charter Schools have become a paradigm of the silver bullet and are currently a primary reference point for UK Coalition education policy in England (see Ball and Junemann 2012) in the form of Academies and Free Schools. They are presented as an adaptable, reliable, effective and ‘quick’ market-based solution¹¹ to educational under-performance and concomitant inequities, which is also portable and scalable. This approach supposes a concomitant standardisation of evaluation, teaching methods and curriculum (Saltman), and rejects alternative forms of educational intervention and social transformation:

High-performing charter schools – and the charter networks that support their growth nationally – play an important role in our college-ready strategy, piloting, accelerating, and expanding innovation in education ... And given the flexibility charter schools have relative to other public schools, they can pilot and implement projects with speed and fidelity.¹²

In short, what is different here is the direct relation of ‘giving’ to policy, the more apparent involvement of givers in policy communities and a more ‘hands on’ approach to the use of donations. New philanthropists operate in a ‘parapolitical sphere’ (Horne 2002) within which they can develop their own policy agenda. Indeed, in the last decade four philanthropic foundations have dedicated a total of \$4.4 billion in different programmes related to school reform in the USA.¹³ Given the scale of the situation, Michael Petrelli, from the Thomas B. Fordham Institute, recently acknowledged that ‘it is not unfair to say that the Gates Foundation’s agenda has become the country’s agenda in education’.¹⁴ What is happening here is not just that givers ‘vote with their dollars’ (Saltman), but the direct, and Saltman argues ‘disproportionate’ (p. 1), intervention of philanthropic action into field of education policy. Throughout the last decade, the action of key players, such as Bill Clinton and Bill Gates, has reshaped the existing national and international policy networks and created new sites and possibilities for the expansion of ‘creative capitalism’. Through their philanthropic action, these actors are able to modify meanings, mobilise assets, generate new policy technologies and exert pressure on, or even decide, the direction of policy in specific

contexts. This has conceptual and practical implications in relation to democracy and for the relationship between policy-making and civil society.

This is the terrain of Saltman's book. *The Gift of Education* explores the impact of 'venture philanthropy' in education policy and practice. Saltman argues that this impact is not simply moral, it is also political. It is part of the disarticulation of public education and the commodification of educational services – 'killing public schools with kindness' (p. 35), as he puts it. He calls the Charter School 'the Trojan school'. Philanthropic interventions are:

contributing to both the privatization of public schooling as well as the transformation of public schooling on the model of corporate culture – from charter schools to voucher schemes, from the remaking of teacher education and educational leadership to making students into consumers, knowledge into commodities, and classrooms into boardrooms. (back cover)

One of the important things that *The Gift* does is that it begins to connect things up. In the examples of funding and programmes which Saltman traces he shows the compound and intimate relationships between business, philanthropy, government, educational reformers, education management organisations (edu-businesses) and neo-liberal advocacy groups and Think Tanks. And although he does not do so, these relations can be traced beyond the USA through programmes and 'reforms' in countries around the world, and to the UK. New philanthropy operates on a global scale (see Ball 2012 for a discussion of connectivity). For instance, the Eli and Edythe Broad Foundation recently donated \$12 million to KIPP, the Knowledge Is Power Program, for the establishing of new Charter Schools. KIPP is a national US network of free, open-enrollment, college-preparatory public schools in under-resourced communities. There are currently 57 locally-run KIPP schools in 17 states. KIPP has close relations with and has influenced the methods and philosophy of ARK, a UK-based educational philanthropy that runs a network of English Academies (Ball 2011) and which is involved in educational programmes in India and Uganda. A central priority of the Broad Foundation, as Saltman explains, 'is to recruit and train superintendents and principals from outside the ranks of professional teachers and educational administrators and, related to this, to shift administrator preparation away from universities and state certification to the control of outside organizations that embrace corporate and military styles of management' (p. 80) – KIPP runs one such programme. In England, ARK is a partner with the National College of School Leadership in running the Future Leaders programme.

After a year-long apprenticeship under a successful urban headteacher, cutting-edge UK and US-based training and coaching and mentoring from education leaders, participants should gain a senior leadership role after 12 months. They should also be accepted on to the National Professional Qualification for Headship (NPQH) within three years, and obtain a headship position after an intense four years.¹⁵

The Broad Foundation has also donated \$100 million to the Teach for America programme. Teach for America aims to recruit from the highest achieving recent college graduates, sending more than 28,000 recruits over the past 20 years to teach for two years in challenging urban schools. Teach First is the corporately and government-funded social enterprise English spin-off of Teach for America, headed by American social entrepreneur Brett Wigdortz (Ball and Junemann 2011). The programme is now extended to 10 other countries through Teach for All, including Germany, India, Estonia, Chile, South Africa, Australia and Lebanon.

As Saltman explains, 'For Broad, public schools, teacher education programs, and educational leadership programs are all described as businesses. The description hangs on a metaphor of efficient delivery of a standardized product (knowledge) all along the product-supply chain' (p. 88). In a very simple and direct sense money can be used to realise private visions and commitments like these within the practice of public education – change can be bought. However, as noted above, this is not just a matter of vision. The transformations being brought about by philanthropic 'investment' in educational innovations and reforms is also creating new opportunities for profit – new spaces in which edu-businesses can operate supplanting or competing with public-sector providers. Also embedded in these educational visions is a neo-liberal political philosophy which is committed to the virtues of the market and a 'limited' state, or *minarchism* as it is sometimes called, the idea that government should be limited to defence, adjudication and a very limited provision of public goods. These programmes and initiatives involve the development of alternative infrastructures for public service provision or what Wolch (1990) calls 'the shadow state'. This shadow state is taking on more and more of the roles previous limited to public-sector organisations and to the state itself through involvements in delivery, dialogue and decision-making. In practice, this constitutes what Saltman calls a 'educational economism' which 'refers to the framing of educational issues, practices, and policies through restricted or scarcity-based economics' (p. 126). Towards the end of the book Saltman envisions an alternative to this economism, what he calls a 'general economy of education' drawing on Marcel Mauss and his most influential work *The Gift* (1922/1990). This emphasises reciprocity rather than scarcity and sees economic exchange as primarily a social relationship. Saltman argues that: 'As education becomes more and more commodified, stupidity appears as its opposite, and the casualties are curiosity, investigation, disagreement, debate, dialogue, deliberation and dissent – habits of mind which are not only intellectual assets but critical qualities for the participation and ongoing recreation of democratic culture' (p. 133). These habits of mind seem very like those which were missing from corporate boardrooms in the creation of the current financial crisis. Saltman ends his book (pp. 146–7) with four practical proposals for limiting, opposing and reversing the development of economism and the 'shadow state'.

We need to know this stuff and we need to think about it when we research and when we teach. Philanthropy and commodification are not a set of abstract changes ‘out there’ that have little or nothing to do with our daily practice, our pedagogy, our social relationships. They are increasingly ‘in here’ – in our heads and in our classrooms. They are impinging more and more on what we do and who we are and the possibilities for thinking about what we do and who we are. Educational researchers and practitioners at all levels need to address themselves to these new realities and take up a position in relation to them. Saltman’s book will help. It is informative, provocative, accessible and very, very topical.

Notes

1. See <http://marmoogle.blogspot.com/2007/04/global-philanthropy-forum-that-is.html>.
2. See <http://www.nytimes.com/2006/11/13/us/13strom.html?pagewanted=print>.
3. See <http://www.nytimes.com/2006/11/13/us/13strom.html?pagewanted=print>.
4. See http://www.forbes.com/2008/03/05/richest-people-billionaires-billionaires08-cx_lk_0305billie_land.html.
5. See <http://www.microsoft.com/presspass/exec/billg/speeches/2008/01-24wefdavos.mspix>.
6. See http://www.clintonglobalinitiative.org/ourmeetings/2010/meeting_annual_actionareas.asp?Section=OurMeetings&PageTitle=Action%20Areas.
7. See <http://blogs.wsj.com/financial-adviser/2010/03/08/not-your-parents-philanthropy/tab/print/>.
8. See <http://www.alliancemagazine.org/en/content/community-foundations-silver-bullet-or-just-part-answer>.
9. See <http://www.gatesfoundation.org/global-health/Pages/grand-challenges-explorations.aspx>.
10. See <http://www.gatesfoundation.org/united-states/Pages/program-overview.aspx>.
11. Though the Charter Schools are in principle non-profit schools, and are not allowed to charge tuition fees, some for-profit companies, EMOs, are currently running Charter Schools and the non-profitable character of the programme has been questioned.
12. See <http://www.gatesfoundation.org/college-ready-education/Pages/charter-schools-networks.aspx>.
13. See <http://www.newsweek.com/2011/05/01/back-to-school-for-the-billionaires.html>.
14. See <http://www.bizjournals.com/seattle/stories/2009/05/18/story2.html>.
15. See ARK website <http://www.arkschools.org/> (accessed 13 January 2012).

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