

# What is dangerous about philanthropy?

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- 'My point is not that everything is bad, but that everything is dangerous, which is not exactly the same as bad. If everything is dangerous, then we always have something to do. So my position leads not to apathy but to hyper- and pessimistic - activism.'

(Michel Foucault 1983)

# Philanthropy may...

- create a 'democratic deficit'
- *Displace public values* and *replace* them with private values
- de-politicises (and re-politicises)
- is entangled in the reform of the state

# 'what works'

- Technocracy replaces judgement
- Shift public service from an input legitimacy to an output legitimacy
- Delivery is everything
- Discussion and debate = background noise
- Getting rid of 'the politics'

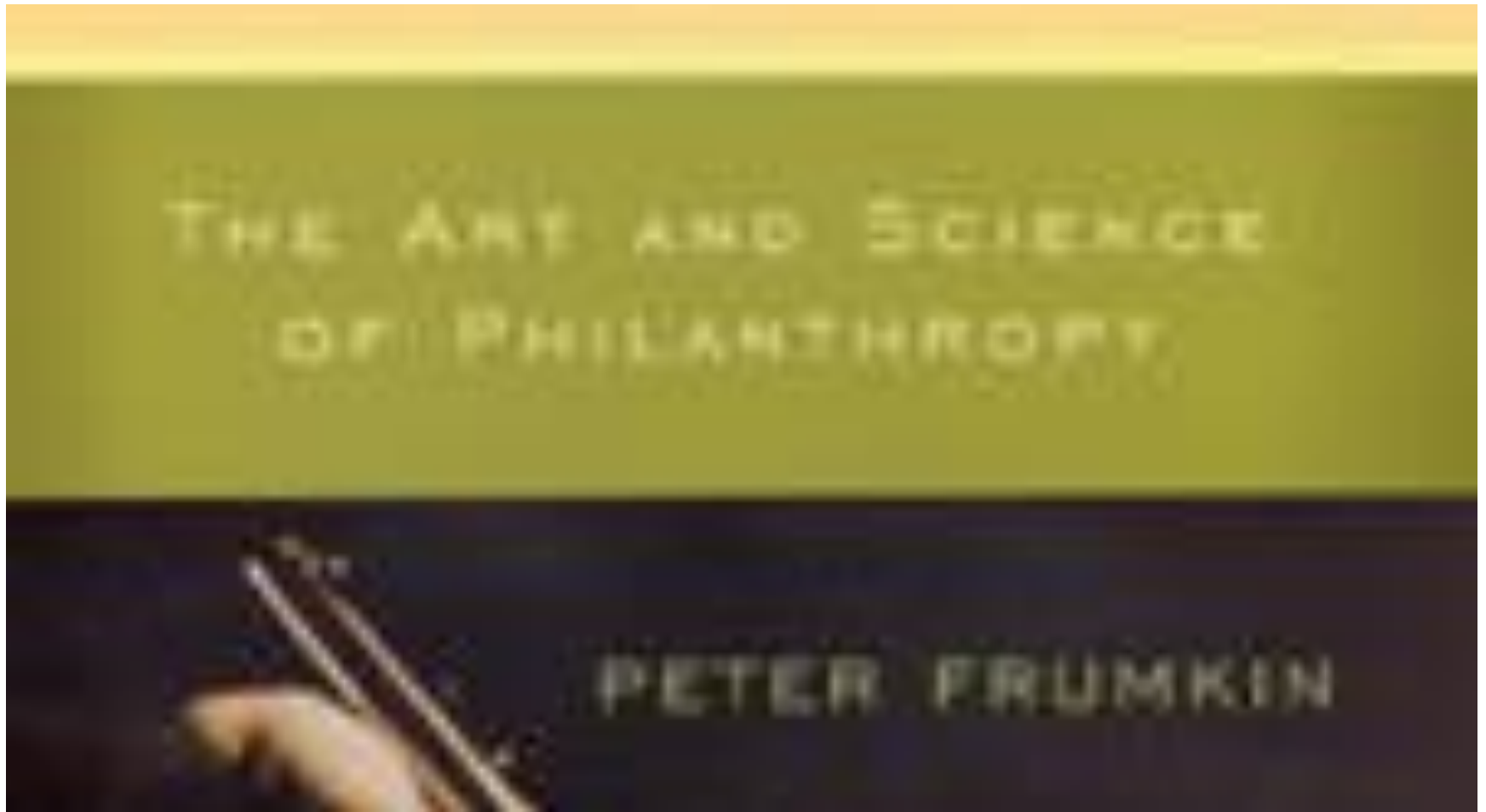
# Latour and Raco

- A thorough de-politicisation of governance arrangements was required to allow non-state, private experts to improve and modernise services, so that welfare provision would stop 'being political, at least for a while' and 'become part of the daily routine of administration and management' (Latour, 2007: p.103)  
...
- It has been heightened by a discourse that sees democratic engagement and collaborative forms of politicisation as antithetical to growth agendas and a brake on the modernisation of governance. (Raco p. 15)

# Matthew Clarke

- “contemporary neoliberal discourses, for example, those around issues of standards and accountability, are typically presented by politicians and policy makers as matters of technical efficiency rather than normative choices. As a consequence their political nature, including the deep implication of these discourses with issues of sociopolitical power, is effectively backgrounded” (Clarke, 2012, p. 298).

# Peter Frumkin – Strategic Giving



“some individuals to act as their own private governments, whose power can be used to challenge that of the state and force it to re-examine its priorities and policies” (Frumkin 2006: 14)

## Democracy?

“unlike government, which has elections to set policy directions, and unlike corporations, which have shareholders to whom they must be responsive, philanthropy is able to operate across the boundaries of public and private and to do so with little or no accountability to its many stakeholders” (Frumkin 2006: 26-27)

“The foundation-state relationship, therefore, is not a conspiracy – it may be quite secretive and operate “behind the scenes”, but it is not criminal enterprise. It is, however, strongly undemocratic, because it privileges the ‘right’ people, usually those with the ‘right’ social backgrounds and/or attitudes.” (Parmar 2012: 260)



# Sarah Reckhow

- *Follow the Money: How foundation Dollars Change Public School Politics* (Oxford UP)
- “Bill Gates is the most influential individual in US education policy, according to a recent survey of nearly 200 education policy experts. The same group of experts ranked the Gates foundation as the third most influential institution, falling just short of the US Congress and US Department of Education” (Reckhow 2013 p. 12)
- Bill Gates Foundation is currently worth \$59 billion.

# Reckhow

- “major foundations have clearly stepped beyond the realm of charity and into the realm of education policy and politics ... The strategic targeting of foundation resources and clear policy agenda of the wealthiest foundations has heightened their influence in urban education policy and politics.
- Major foundations to a large extent are politically unaccountable” (p. 11)

# Gates Solution

- The genius of capitalism lies in its ability to make self-interest serve the wider interest ... But to harness this power so it benefits everyone, we need to refine the system ... Such system would have a twin mission: making profits and also improving lives for those who don't fully benefit from market forces. To make the system sustainable, we need to use profit incentives whenever you can ... The challenge is to design a system where market incentives, including profits and recognition, drive the change ... I like to call this new system creative capitalism – 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. (Gates, in Kinsley, 2010, pp. 9–10)

# Eli and Edythe Broad Foundation

- [The 2009/2010 Annual Report of the Broad Foundation \(Page 5\) states:](#)
- “The election of President Barack Obama and his appointment of Arne Duncan, former CEO of Chicago Public Schools, as the U.S. secretary of education, marked the pinnacle of hope for our work in education reform. In many ways, we feel the stars have finally aligned.
- With an agenda that echoes our decade of investments—charter schools, performance pay for teachers, accountability, expanded learning time and national standards—the Obama administration is poised to cultivate and bring to fruition the seeds we and other reformers have planted.”

# A Broad agenda

- **The Broad Superintendents Academy**
- Broad Superintendents Academy, begun in 2002. It trains eight to twenty-five candidates per year in six intensive four-day sessions spread over 10 months. According to the 2011-2012 Annual Report (Page 24), from 2002 through 2011 there have been 144 Broad superintendent graduates.
- A key part of corporate education reform is to reshape public schooling on the market model that involves remaking administrator preparation for education like the corporate model. Of the Superintendents, about half come from education, the other half come from business and the military. The Broad Foundation frequently pays cash-strapped school districts part of the new superintendent's salary if the districts select a Broad Superintendent Graduate.
- Eli Broad, others pledge \$100 million to Teach for America
- **KIPP Receives \$12M; Endorsed as 'Platinum Standard' in Education**

# Complex and concerted relations

- • Michelle Rhee's StudentsFirst and state based affiliates, fundors include New York Mayor Michael Bloomberg and hedge fund managers David Tepper and Alan Fournier. The Laura and John Arnold Foundation, funded by hedge fund manager John Arnold, has also pledged \$20 million to Rhee's organization over five years. The Broad Foundation provided \$500,000 in start up funding.
- • Parent Revolution, promoters of the "Parent trigger", funded by the Bill & Melinda Gates Foundation, the Walton Family, and the Broad Foundation.

# **Sponsors of Policy: A Network Analysis of Wealthy Elites, their Affiliated Philanthropies, and Charter School Reform in Washington State: [Wayne Au & Joseph J. Ferrare](#)**

- This study concludes that, compared to the average voter in Washington, an elite group of wealthy individuals, either directly through individual donations or indirectly through their affiliated philanthropic organizations, wielded disproportionate influence over the outcome of the charter school initiative in the state, thereby raising serious concerns about the democratic underpinnings of an education policy that impacts all of the children in Washington State. This study also concludes that elite individuals make use of local nonprofit organizations as a mechanism to advance their education policy agenda by funding those nonprofits through the philanthropic organizations affiliated with those same wealthy elites. In light of these conclusions, the authors recommend that a mechanism for more democratic accountability be developed relative to education policy campaigns, initiatives, and legislation.*

‘world making’ (Maclean 2012)  
(redistribution of moral authority).

- ‘New’ philanthropy is bringing new players into the field of social and education policy, repopulating and reworking existing policy networks, and giving legitimacy to the role of business or enterprise in the solution of ‘wicked’ social problems (like school improvement, and education and social disadvantage). 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).
- A move from public to private morality?



# Paul Marshall co-founder of ARK

- “the fact is British Education is a total disgrace in the way we have let down the most disadvantaged children. And there is a culture of low expectations, which is promoted by all kinds of people. And we have to break that” (Paul Marshall)
- “... the church has lost its role in society and there is a group within society which is just not taught how to behave. The school is the last institution left which can do that. But that means it needs to be a completely radical alternative to what they are learning on the street ... It’s like being in the army in that sense. And that works.” (Paul Marshall)
- “I don’t think it’s a particular skills set that you need, I think your passion for philanthropy ... there’s a really small group of people who make money but who want to give something back in a philanthropic way’ (PM).



“philantho-policymaking” (Rogers 2011)

ARK's guiding principle is that governments should **fund** free education for all, but **not necessarily deliver it**. We believe the involvement of non-state organisations is an essential mechanism for rapidly expanding the state provision and quality of secondary education.

The advantages of public-private partnership - such as **greater autonomy for schools, strong accountability and more efficient management** - mean that children can learn effective and relevant skills, at lower cost. The increased competition **may** also help drive up standards in government schools. Based on our research, partnership working with governments could have a **major impact on the provision of education in Africa**.

<http://www.arkonline.org/education/uganda/our-approach>



We created ARK in 2002, convinced that our combined efforts could have a greater effect on children's lives than if we each supported individual charities. **We wanted to apply the same robust measurement and accountability to philanthropy as we do to business**, in order to deliver programmes that transform the lives of the most disadvantaged children.

<http://www.arkonline.org/media/59711/ARK%20Annual%20Report%202012%20PDF%20final.pdf>

# ARK actors

- Paul Myners - - Financial Services Secretary and Chairman of Gartmore investments
- Stanley Fink – Tory Party Treasurer and donor
- Paul Marshall – Centre Forward (Lib-Dem Think Tank)(Marshall-Wace)
- Sir Michael Wilshaw – Chief HMI
- Amanda Spielman – Chair of Ofqual
- Sally Morgan – Chair of Ofsted.

# Bringing corporate philanthropy business to bear: New Chair of Ofsted

- Several names were discussed before the appointment was made. These included David Ross “playboy” co-founder of the Carphone Warehouse, Conservative party donor, and friend of Boris Johnson and David Cameron and Rebekah Brooks, whose charitable foundation supports more than 20 Academy schools. He was reported by the Guardian (5.7.14) as ‘in the frame’ for the Chair post. Another contender was reported to be Theodore Agnew (academy chain founder) and Tory Party donor. Other party donors are also Academy chain founders Lord Harris, Lord Fink (Ark) and Lord Nash, who is education spokesman in the Lords. Here there are complex overlaps, links and movements between business, philanthropy, politics and governance responsibilities.

# AET

- The new chairman of Ofsted faces the embarrassing prospect of seeing the struggling chain of academies at which he currently plays a key role criticised by the school standards body.
- Businessman David Hoare, who was appointed to the Ofsted post today, is a director at the AET Academy Trust, which the Government has banned from taking on new schools due to concerns about its performance.
- Mr Hoare will leave AET to take up the Ofsted job in September. At around the same time, Ofsted will issue a report that is expected to criticise some of AET's schools following inspections carried out just before their summer break.

# David Hoare – New Ofsted Chair

- Hoare, who was schooled at the exclusive private school Marlborough College, has a 40-year business career, with a sideline in turning around failing companies. He started out in the oil industry, at Esso, before a 10-year stint at the Bain consultancy, and has been chairman of a number of companies including Virgin Express, Paragon Group and Laura Ashley. He is also a trustee of the Teenage Cancer Trust.
- The DX Group was owned via a holding company based in the tax haven of the Cayman Islands until February, when the company was floated on the Stock Exchange. Its new holding company is domiciled in the UK for tax purposes
- Hoare has a 40-year business career, with a sideline in turning around failing companies. He started out in the oil industry, at Esso, before a 10-year stint at the Bain consultancy. In 1987, he co-founded his own consultancy, Talisman, to help underperforming companies. He has combined this work with senior roles in industries from fashion and packaging, to shipping and postal services.

# Academies report – conflict of interest

This review identified four broad areas where real or perceived conflicts of interest might occur for academy trusts:

1. Connected-party (or related-party) transactions: for example where individuals on trust Boards benefit personally or via their companies from their position.
2. Sponsors providing paid services (such as school improvement or back office services), through licensing arrangements which prevent schools using any other similar services. This is currently permitted so long as the services are provided 'at cost' (ie not for profit – see Annex 6 for definition of At Cost).
3. More intangible conflicts that do not directly involve money. Examples range from the inappropriate control exerted in the Trojan Horse schools, to a trust being involved in decision making in relation to a school that they then sponsor, to an FE College deciding in its own interest to close the 6<sup>th</sup> form of a school which it sponsors.
4. Conflicts that arise in the wider system: for example if a contracted Department for Education (DfE) Academy Broker is also working for an academy trust and this influences their decisions on which trusts are invited to pitch for a new school.



# Wither democracy?

- ‘today, the main task is no longer to radicalize democracy, but to protect the democratic institutions – which we have taken for granted – from being dismantled and demolished’
- (C. Mouffe 2006 p. 970)

# What democracy?

- In Purcell's (2013) terms, too much writing on democratic processes elides democracy too easily and unproblematically within the liberal-democratic state. This, however, 'is a form of oligarchy that sets severe limits on democracy and insists that anything beyond those limits is impossible' (p.26)(Raco p. 4)