Global Education Policy: reform and profit

Stephen J. Ball
University College London
stephen.ball@ucl.ac.uk

Abstract: Increasingly, on a global scale, education policy is being done in new ways, in new spaces by new actors, and many of these new spaces are private. Here some examples of these changing arts of government - the politics of ‘not governing too much’ - that are intrinsic to competition state, are explored. The concomitant processes of the financialisation of education and particularly the role of equity investment are also addressed. That is, the activity of global corporations and private equity companies funding and investing in the provision of schooling and other educational services, both in competition with state services, or on contract to and funded by the state, to provide alternative forms of public education. The paper concludes by arguing for the need for researchers to change their focus and methods to attend to these new forms of provision and government.

Keywords: Investment. Network governance. Commodification.

Política Educacional Global: reforma e lucro

Resumo: De forma crescente, em escala global, a política educacional está sendo feita de novas maneiras, em novos espaços por novos atores, e muitos desses novos espaços são privados. Aqui, alguns exemplos dessas artes mutantes do governo - as políticas de “não governar demais” - que são intrínsecas ao estado competitivo, são explorados. Os processos concomitantes da financeirização da educação e, particularmente, o papel do investimento de capital também são abordados. Ou seja, a atividade de corporações globais e empresas de capital privado financiando e investindo na provisão de educação escolar e outros serviços educacionais, tanto em concorrência com serviços estatais, quanto em contratos com o Estado e financiados por ele, para fornecer formas alternativas de educação pública. O artigo conclui defendendo a necessidade de os pesquisadores mudarem seu foco e seus métodos para atender a essas novas formas de provisão e governo.


Política Educativa Global: reforma y lucro

Resumen: Crecientemente, a escala global, la política educativa se genera de nuevas formas, en nuevos espacios por parte de nuevos actores, y muchos de estos nuevos espacios son privados. Algunos ejemplos de estas cambiantes artes de gobierno –la política de “no gobernar demasiado”– que son intrínsecas al Estado competitivo son explorados aquí. Los procesos concomitantes de la financialización de la educación y, particularmente, el rol de las inversiones de capital, son también abordados. Es decir, la actividad de corporaciones globales y empresas de capital privado financiando e invirtiendo en la provisión de escolaridad y otros servicios educativos, ambos en competencia con servicios estatales, o en contrato con y financiado por el Estado, para proveer formas alternativas de educación pública. El artículo concluye argumentando la necesidad de que los investigadores cambien su foco y sus métodos para tratar estas nuevas formas de provisión y gobierno.

Introduction

Increasingly, on a global scale, education policy is being done in new ways, in new spaces by new actors, and many of these new spaces are private, in all senses of that word. In relation to this educational governance and the educational state are changing and being changed in some very marked ways, and education itself is being reworked as an opportunity for profit. Education services and education policy are now being commodified and bought and sold (Ball, 2012). In the words of Leyshon and Thrift (2007 p. 100): ‘one of the abiding financial stories of the last 20 years ... has been the search for and the corresponding expansion of, what counts as a reliable income-yielding asset’. This is a ‘tendential emergence’ (Jessop, 2002 p. 124) on different scales – local, national, regional and global and more evident and advanced in some places than others. The relation of the state to private providers of educational services is now commonly articulated by the logic of the market, within which the state becomes a market maker, contractor and monitor while the private sector and other providers take on more and more of the practical work of governing in the immediate and mundane sense. This is, as Jessop (2002 p.96) puts it, the formation of the competition state, in response to the heterogeneous and complex challenges and opportunities of globalization. A state that is aiming to secure growth within its borders and/or competitive advantages ‘by promoting the economic and extra-economic conditions currently deemed vital for success in economic competition with economic actors and spaces located in other states’ and in constructing a regulatory and discursive framework within which market relations can be continually extended and opportunities and incentives for profit can be inserted into areas of state activity in which they have not previously operated. This offers the market access to ‘the entire social body and to generalise it inside the whole social system that, normally, does not pass through or is not authorized by the market’ (Foucault, 2010 p. 248). This is both a new accumulation strategy, as well as, to some extent, a transfer of costs and risks from the state to the private sector.

Given all this, as I will go on to argue, policy analysts and researchers need both to refocus their attention – in terms of the whos and wheres of policy – and develop a new toolbox of research techniques and concepts appropriate to making sense of the new post-state, post-national methods of policy and forms of policy relations. The paper offers some examples of the changing arts of government, the politics of ‘not governing too much’, that are intrinsic to competition state and then focuses on just one dimension of the concomitant processes of commodification of education – equity investment. That is, the activities of global corporations and private equity companies funding and investing in the provision of schooling of different kinds.

Network governance

The changes, shifts and trends in education policy to which I refer above are in general terms part of and relate to a more general transformation in the form and modalities of the state, sometimes conceptualised as the move from government to governance (or to new governance or network governance). That is:

Whether one points to the grand narratives of network society (Castells, 2000) or reflexive modernity (Giddens, 1991) or the more concrete and specific accounts of the formation and functioning of networks of public agencies, private organisations and diverse groups and citizens (Rhodes, 1988) one finds the articulation of a need for rearticulating our understanding of government and authority based on an ontological change that has taken place in recent decades (Triantafillou, 2004a, p. 489).
In these terms the arts of governing have changed and are changing, network governance is a move ‘beyond the public bureaucracy state’ (Hood, 1990) and a further ‘reinventing of government’ (Osborne & Gaebler, 1992). That is, a new kind of governing mechanism which relies ‘on a dense fabric of lasting ties and networks that provide key resources of expertise, reputation and legitimization’ (Grabher, 2004, p. 104). In effect three sets of changes are complexly interwoven here. One set involves a transmogrification of the form of the state (its agencies); a second involves the deployment of new state modalities (its strategies); the third is bringing about a new anthropology of policy and articulating new kinds of policy subjects (its actors). Together these changes give rise to new methods of governing at a distance through norms of efficiency, activation and accountability. This is not a ‘hollowing out’ of the state rather it is a new modality of state power, agency and social action – of form of metagovernance (Jessop, 2002 p. 242), that is the governance of governing or the organization of the conditions for governance in its broadest sense.

Having said that there is a danger that in concentrating on governance in terms of what may be new and different and as a result what has remained the same may be inadequately attended to and developments which do not ‘fit’ with the concept of governance are downplayed or ignored. The point is that there is no absolute change here but rather a shift in the balance or mix between the different elements of government – bureaucracies, markets and networks. That is, generally speaking, more networks, more markets and less bureaucracy! Furthermore, different modalities of governing may be deployed in relation to different parts of the population and in relation to changing circumstances.

Network governance, although the term is used somewhat loosely and diversely in political science ‘to refer to a bewildering array of different phenomena and governmental practices’ (Triantafillou, 2004b, p. 2), essentially involves the treatment of seemingly intractable public policy problems – ‘wicked issues’ that ‘defy efforts to delineate their boundaries and to identify their causes’ (in Williams, 2002 p. 104) - through forms of managerial and organizational response ‘around collaboration, partnership and networking’ and crucially and centrally this means the engagement, in new ways, of new actors in the work of governing and the management of the population. Government is reconceived as a shared problem-solving process or what Wanna (2009) calls ‘co-labouring’. The state works with others or ‘contracts out’ its problem solving tasks. Problems become opportunities for profit. Solutions are paid for. There is a market in solutions. Newman (2001, p. 108) points out that the governance literature views networks ‘in terms of plural actors engaged in a reflexive process of dialogue and information exchange’, or as Agranoff (2003, p. 28) puts it, ‘networks provide venues for collaborative solutions’ and in which to ‘mobilise innovations’. The argument is made by critics of the state that these new modalities bring a greater flexibility and better adjustment to the complexity of existing socio-economic conditions. Eggers (2008, p. 23) argues for example that:

The traditional, hierarchical government model simply does not meet the demands of this complex, rapidly changing age. Rigid bureaucratic systems with command-and-control procedures, narrow work restrictions and inward-looking cultures and operational models are particularly ill suited to addressing problems that often transcend organisational boundaries.

As Besussi (2006, p. 18) suggests ‘the promise of policy networks and of the mode of governance they represent is to produce more effective and legitimate policies, without resting upon the authority and limitations of a single representative political body’. In general terms this is the move towards a ‘polycentric state’ and ‘a shift in the centre of gravity around which policy cycles move’ (Jessop, 1998 p. 32). However, in many of the accounts of and studies of network governance the role of the private sector in partnerships and interdependences with the state is
omitted entirely or dealt with only in passing. And yet the private sector is an increasingly apparent and significant constituent of new governance, in education and elsewhere.

Some versions of network governance relate the changes adumbrated above to a move to more democratic forms of governing (Sørensen & Torfing, 2008) while other writers suggest that network governance creates a ‘democratic deficit’ as the processes of policy and governing become more opaque and less accountable (March & Olsen, 1989). Within these new sites of policy it is unclear what may have been said to whom, where, with what effect and in exchange for what (see Cohen, 2004) – although, to some extent, this has always been true of policymaking. As Skelcher (1998) argues these new social and political relationships of policy are also part of and contribute to other related features of the changing state – they constitute what he calls ‘the appointed state’ and what he also (Skelcher, 2000) describes as the ‘congested state’, with a diversity of actors jostling for attention, and we might add the ‘dissipated state’. The state itself increasingly dispersed and in some respects smaller, as it moves it focus from public sector provision to an outsourcing, contracting and monitoring role, from rowing to steering, but also at the same time is more extensive, intrusive, surveillant and centred – the duality of metagovernance. In particular, as already signaled, the sphere of ‘economic policy’ is greatly expanded and the state is increasingly proactive in promoting competitiveness, enterprise and entrepreneurism – collective and individual – in education and elsewhere.

In all of this, Shamir (2008, p. 6) argues, ‘governments relinquish some of their privileged authoritative positions’. Increasingly, it would appear, it is in ‘these decentralized, and more or less regularized and coordinated, interactions between state and societal actors that policy making unfolds’ (Coleman & Skogstad, 1990, p. 4). Such interactions are of course not entirely new; it is their extent, specificity, directness and degree of integration with the work of government and state organisations that is different. That is to say, many different actors and organizations are now engaged in various mundane and informal ways in the day-to-day business of the state through face-to-face meetings, discussions, representations and consultations as well as service delivery. These new actors bring particular sorts of sensibilities, perspectives, methods and interests to bear on and in the policy process – including profit-seeking.

This then is the current context of trends in education policy. Trends that are evident in different ways within specific national settings, but also trends that are represented in the creation of new policy spaces beyond the nation state and separate from existing multi-lateral organisations and NGOs – another kind of dissipation. However, at many points nationally and post-nationally the actors and agents who drive and inhabit these trends are joined-up. They are joined up socially, politically, economically and discursively within social networks and they constitute an epistemic policy community. They are both actors within and disseminators and beneficiaries of policy. They embody the new sensibilities of governing. Some of these connections are evident below.

Policy Epistemology

Discursively, these new policy communities are joined-up by a shared belief that state-run public services are ineffective and inefficient, resistant to innovation and self-interested. Olmedo (2012) quotation from Jose Maria Aznar’s speech at the VIth European Forum on Education and Freedom, organised by ACADE (a Spanish Private Education providers Association), is a good example of the epistemology of reform the ex-prime minister (and President of FAES, the Foundation for Social Studies and Analysis, ‘an institution dedicated to serving Spain and the concept of individual freedom’ (Website)) sees the monopoly of the State as the explanation of what he calls the failure of the Spanish educational system:
Education in Spain has suffered in the last twenty years the monopoly of insolvent and failed educational projects that have used it as an instrument to shape society according to their prejudices. Young people and their future are the main victims of these dreams of social engineering. (Aznar 2010, 9).

Set over and against such failures, and in response to the continuing intractability of social problems, is the market (see also (Ball, 2017). As Bill Gates, founder of the Bill and Melinda Gates Foundation, puts it ‘where states, multilaterals and traditional non-governmental organisations have 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’ (Microsoft News Center, 2008). Or in the words of the Clinton Global Initiative, founded by ex-US President Bill Clinton:

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. (Clinton Global Initiative, 2010).

Put succinctly, entrenched problems of educational development and educational quality and access, as well as issues of gender equity, health and wellbeing and environmental sustainability are now being addressed, in national settings around the globe, through the involvement of social enterprises and businesses in the delivery of services. In education the participation of business and social enterprise organisations in the delivery of state education services is evident in the US within the Charter School and No Child Left Behind programmes (Burch, 2009), and in England in the Academies and Free school programmes (Ball, 2011) in Sweden in the Free Schools programme (Arreman & Holm, 2011), and in Spain in the participation of concertada schools (subsidised private schools) in the delivery of public education1.

Private alternatives to the state are also increasingly evident in the setting-up of private storefront schools by local entrepreneurs and the creation of school chains by multi-national education companies, in Africa and India and elsewhere, in relation to the attempts of late-developing societies to achieve their Millennium Development Goals and to provide mass access to basic education. Business methods and social enterprise initiatives are advocated as more effective ways of achieving wider access to and improved quality of education than, it is argued, can be achieved by governments or via traditional aid or charity (Ball, 2016).

The shifts and moves involved here are made up of and driven by, on the one hand, a complex set of political and economic processes involving advocacy by policy entrepreneurs and Transnational Advocacy Networks - like the Atlas Foundation Liberty Network, of which in Spain Institución Futuro is a member, and in Brasil Instituto Ludwig Van Mises, Estudiantes Pela Liberdade, Instituto de Formacao de Líderes and Instituto Liberal, among others are members - and, on the other, through the auto-reform of the state. Indeed, as noted already, and perversely in some senses, the state is a vital player here as ‘market-maker, as initiator of opportunities, as re-modeler and moderniser’ (Ball, 2007). Increasingly states are acting “more and more as a collective commodifying agent (…) and even as a market actor itself” (Cerny, 1997). As Clarke and Newman put it:

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1 Olmedo (2012) notes that “As a result, Spain is now fourth in Europe in terms of the number of pupils attending private schools. Though the percentage of students in independent private schools is not particularly high (around 5%), the introduction of subsidized private schools’ enrolment changes the figure drastically (around 30%).
Established typologies (the distinction between state and market or the hierarchy, markets and networks framework) fall short of new organisational forms and governance arrangements that are identified through such terms as boundary blurring or hybridity. Such terms mark the problem of naming these new arrangements, but bring problems of their own.²

Profiting from Education

Here I want to offer some examples to illustrate the fairly abstract discussion presented so far. The examples involve Spain, England Sweden and Kenya, and join-up these locations convoluted ways. These examples also represent one aspect of the role of the private and profit in education policy in rather stark ways, that is investments in education made by private equity companies. In other words, they focus on education as an investment opportunity and some of the ways in which money circulates in the forms of investment and loans, and the discourse, sensibilities and values of financialisation that circulate with and legitimate and celebrate these investments. The overall effect of such investments is an on-going commercialisation and commodification of education, and these financial actors and their investments ‘sustain a transformative direction in reform’ effort (Peck, 2013 p. 145 emphasis in original) – the direction being the displacement of state provision by private provision or the contracting out of state provision to private (or other sorts of) providers.

The examples also illustrate some of the opacities that accompany private sector participation; the movement of policy actors between sectors; relationships between the state and private sector and new venture philanthropy organisations; and the limitations of the nation state as a framework for policy analysis.

A private equity firm is an investment manager that makes investments in the private equity of operating companies through a variety of loosely affiliated investment strategies including leveraged buyout, venture capital, and growth capital. Often described as a financial sponsor, each firm will raise funds that will be invested in accordance with one or more specific investment strategies.

Typically, a private equity firm will raise pools of capital, or private equity funds that supply the equity contributions for these transactions. Private equity firms will receive a periodic management fee as well as a share in the profits earned (carried interest) from each private equity fund managed.

Private equity firms, with their investors, will acquire a controlling or substantial minority position in a company and then look to maximize the value of that investment. (Wikipedia)

‘Cognita Schools’ is one example of the interest and involvement of international private equity companies in education. Cognita was created in 2004 in the UK and was backed by ‘Englefield Capital LLP’ (renamed as ‘Bregal Capital LLP’ in 2010). ‘Bregal Capital LLP’, is a private equity firm with fund commitments which have risen to more than €3 billion since its creation. It is owned by ‘Bregal Investments’, a subsidiary of a holding company: ‘Cofra Holding AG’. Among others, Cofra’s business activities included ‘C&A’, a now failed clothing retailing operation, ‘Redevco’, a large real estate enterprise, and ‘IBI’, a retail financial services operation. In 2013 Cognita agreed to be invested in by the American private equity firm Kohlberg Kravis Roberts (KKR). KKR also owns Laureate International Universities. In 2004 Cognita bought 17 schools from Asquith Court, then the UK’s largest private nursery school company, and now runs a chain of 68 schools in 8 countries across the UK, Europe, Latin America (Chile 11, Brazil 2) and South-Asia (Thailand, Singapore and Vietnam) enrolling 40,000 students, and is “actively seeking for further acquisition opportunities” (website). In Spain it operates 7 schools in Catalonia, Madrid, Murcia, and Valencia. In 2017 the fees for Cognita schools in England ranged

between £3,500 and £10,000. In England Cognita have also been in discussions with groups interested in setting up government funded Free schools. The first Chairman of Cognita was England’s ex-Chief Inspector of Schools, Chris Woodhead who died in 2015. In 2018 Jacobs Holdings, a Zurich based investment firm acquired Cognita, buying out both Bregal and KKR, for $2.8bn. The deal valued Cognita at 26 times its earnings before interest, tax, depreciation and amortisation, based on its earnings rate in August 2018. A consortium led by Canadian Pension Plan Investment Board and Baring Private Equity Asia (who own Nord Anglia Education Inc), and GEMS Education, backed by Blackstone Group had also shown interest in buying Cognita.

The first Chief Education Officer UK/Europe of Cognita was Jim Hudson OBE. Prior to his appointment at Cognita in 2005, he had been Headteacher of three state schools, including Two Mile Ash Middle School in Milton Keynes. He has also been an advisor to the Department for Education, the Teacher Training Agency, and the National College for School Leadership. Woodhead and Hudson are new kinds of policy actors who move between sectors carrying complex sensibilities and knowledges with them. Expertise and experience from the state sector is reconverted and re-invested in the private sector.

Olmedo (2012) says of companies like Cognita operating in Spain, and he identifies several others in his work:

As the State retreats from its role as the main actor in the provision of educational services, new players, from different sectors, with different interests, are beginning to flourish. Though these companies still operate in the independent private sector, given the rapid spread of the market principles within the Spanish education policy, it could be expected that these schools would at some point begin to receive public funding, as already argued for by the Spanish neoliberal advocates.

In Sweden businesses have been active in the public sector and in receipt of public funding since the late 1990s. Sweden now has about 20% of its school students educated in state funded ‘Free schools’ most of which are owned and run by private providers. There are approximately 900 such schools catering for 80,000 students from 1 to 18 years. Two of these companies are now active in England, one Kunskapsskolan, sponsors and runs three schools as part of the Academies programme, another EIS won a £21m 10-year contract to run Breckland Free School in Suffolk. Many other companies including the world's largest provider of independent education abroad, GEMS, had been interested in working with groups on setting up Free schools in England, and Serco, Pearson (the world's largest edu-business, is already testing out its school model in state schools in London) and Nord Anglia, have also express their interest in this development. In Spain FAES has been exploring and advocating the adoption of the Swedish Free school model³.

The largest of the Swedish Free school companies, was John Bauer, with 31 Upper Secondary schools, specialising in vocational education and training such as IT, media, entrepreneurship, health and physical, hotel management and catering. The John Bauer upper secondary schools had around 10,000 students from 16 to 19 years and almost 1,000 employees. Aside from the Swedish schools, John Bauer ran international schools in Spain, hotel and catering colleges in India and Norway, other education ventures in China and Tanzania, and had

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property development activities in Central America and Indo-China. In 2007, the company had a turnover of SEK 757 million. In 2008 three companies (Drivkraft Värend, Fourfront, Ultra Education) within the organisation were listed among the fastest growing companies in Sweden (Affärsvärlden, 2008). Also in 2008 the company announced that it had been invited by the Ministry of Education in Abu Dhabi (in the United Arab Emirates) to set up schools and introduce a similar system as in Sweden for its independent schools (Ultra Education, 2008). John Bauer further indicated its aim to establish schools in other countries considered to have good potential for economic growth.

We are therefore now seeing the beginning of strong growth in private education in countries such as India, Nepal and Cambodia in order to cater for the needs of the growing number of students. Thus this trend, which generally started or strengthened around 2000, creates a strong demand for private education. /.../ the entrepreneurial spirit of the people behind John Bauer International, always keen to engage in new projects and to take the organization further, as well as a genuine desire to make a difference and contribute to the advancement of society through educational development, especially in lesser developed countries, are the very reasons for our existence (John Bauer International, website).

In 2009, John Bauer was bought by Denmark’s largest private equity company Axcel, which then had investments valued at DKK 14 billion. Axcel’s other main areas of investment were in housing, fashion and pet foods. Following the purchase of John Bauer (JBO) Axcel announced:

As part of the strategy for JBO’s continued development, Axcel plans to extend and strengthen the company’s general management and board. In realizing this strategy, the first move has been to appoint Alf Johansson as chairman of the board of directors. Johansson is the former director of Proffice, one of the largest recruitment companies in Scandinavia with a turnover of approximately SEK 4 billion.4

Then in May 2013 Axcel announced that it was withdrawing from school provision in Sweden, and would sell its adult education operations to Academedia, then Sweden’s largest education company, and declared John Bauer bankrupt.

The final example is Bridge International Academies (BIA). BIA is a for-profit chain of low cost nursery and primary schools, headquartered in the US, which began its operations in Kenya and has expanded to Uganda, Nigeria and India. BIA was founded in 2009 by Jay Kimmelman (a Harvard Business school graduate and founder and one time CEO of Edusoft5), his wife Shannon May (another Harvard University Graduate and PhD in Anthropology from Berkeley University), and Phil Frei (an MIT Mechanical Engineer, ex-product designer at design consultancy IDEO). The company website claims that ‘Prior to Bridge International Academies, no one had put together a viable business model that demonstrated that educating the world’s largest market was possible’.

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5 Edusoft is an assessment management platform which Kimmelman sold to Houghton Mifflin in 2003 (valued at USD$20m).
According to one of BIA’s major funders, ON, BIA’s ‘innovative for-profit model has been designed and successfully tested to provide a sustainable, scalable approach to education’\(^6\). The efficiency and scalability claims of the model have made it possible for the company to attract substantial interest from both venture capital firms and venture philanthropy organisations. It is a model based on standardization, what the founders call an ‘Academy-in-a-box’ and which they compare to companies like Starbucks and McDonald’s, which offer a seamless experience anywhere in the world. As Kimmelman explains, “We’ve systematized every aspect of how you run a school. How you manage it. How you interact with parents. How you teach. How you check on school managers, and how you support them.”\(^7\)

Up to 2011, BIA had raised a total of USD 15 million through two rounds of funding (A and B). The funders included a mix of foundations, venture philanthropists and commercial capital investors. Venture capital firm Spring Hill Equity Partners (who then became Novastar Ventures), that is interested in investing in businesses that provide both ‘double-digit financial returns’ and ‘large scale measurable social benefit to low-income consumers, in addition to creating jobs and expanding the local tax base’\(^6\), was one of the earlier BIA investors with a pre-A-round commitment of an undisclosed sum. Further minority funders included LGT Venture Philanthropy, part of the LGT group of the Princely Family of Liechtenstein, which invests in ‘organizations that were coming up with scalable solutions to social and environmental challenges’ (company website); The Hilti Foundation, a Liechtenstein-based charitable foundation that ‘embraces the integration of entrepreneurial initiatives that can be multiplied and that can offer measureable results’ and ‘invests in projects that contribute to a basic and sustainable improvement of the living conditions of disadvantaged persons’; Jasmine Social Investment, a New Zealand family foundation that made a USD 700,000 equity investment in BIA between May 2009 and May 2010, and that invests in organizations that can create ‘lasting change through social enterprise’ and “expect to see measurement of true impact”\(^10\); and d.o.b, a Dutch family private equity fund “that is aligned with the principles of impact investing and supports innovative private sector initiatives that enhance the quality of life of low income communities, families and people in Africa” (company website). The World Bank’s International Finance Corporation and the UK government’s Department for International Development have also invested in BIA.

BIA has also attracted the interest of two other large US venture capital firms. New Enterprise Associates (NEA), one of the largest venture capital firms in the world with reportedly USD 13 billion in committed capital, led its series C investment round (closed in the first quarter of 2012), with a significant but undisclosed investment. Jon Sakoda, one of its partners, has indicated in a blog post that “a crisis in education is a terrible thing to waste”\(^11\), and Khosla Ventures (see Ball 2018, the investment fund of Vinod Khosla founder of Sun Microsystems), a California-based venture capital firm that is interested in investing in “large problems that are amenable to technology solutions” (company website). Further, BIA has recently secured investments from high-profile investors such as Zuckerberg Education Ventures (USD 10


\(^{7}\) <http://www.wired.com/design/2013/11/schoolinabox>.

\(^{8}\) <http://springhillequity.com/investments/bridge_international_academies>.


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million) and Bill Gates. The Pearson Affordable Learning Fund (PALF), set up and run by Pearson Education, is also an investor in BIA. According to Pearson’s website, ‘the Bridge schools are part of recent moves to expand its education business in Africa’\textsuperscript{12}. According to PALF, profit is not the only aim, the fund also aspires to ‘(d)emonstrate to governments and donors that low-cost private education can help educate the poor in a cost-effective way’ (company website). This exemplifies what Bill Gates refers to as ‘creative capitalism’ (as in Clinton Global Initiative Forum\textsuperscript{2009}), investments that address social challenges and result in sustainable business. Here businesses are offering themselves as policy actors who can bring solutions to problems that governments have failed to solve.

In several respects BIA exemplifies the methods of Philanthropy 3.0 (Resource Alliance\textsuperscript{2011}), impact or investment philanthropy and philanthrocapitalism (Brilliant, Wales, & Rodin, 2007) in the field of education and development, that is, the idea that philanthropy needs to start to resemble a capitalist economy in which benefactors become consumers of social investment, and which operates as for-profit markets with investors and social returns\textsuperscript{13}\. This in itself is an indication of the work of neoliberal discourse and practices of the financialisation of everything (Lazzarato, 2009). BIA is a good illustration of this blurring of distinctions between philanthropy and business, and profit and social purpose. Here ‘backers’ are looking for both financial and social ‘returns’. Philanthropies speak and act like businesses and businesses like philanthropic organizations. ‘The economic politics of enterprise appears to know no boundaries, either in terms of where it might be applied’ (du Gay, 2004)\textsuperscript{40} or to what.

BIA is increasingly cited as a model of good practice in developing low cost private schools (see for example Harvard Business School case study\textsuperscript{14} and E.G. West Centre, EFA Working Paper No.10) exemplifying innovative ‘inclusive’ business models that are “transforming education around the world” (defined as “sustainable organizations that increase access to goods and services in low income communities, while at the same time providing them with new sources of revenue and employment”)\textsuperscript{15}\. At the same time it is the focus of growing criticism from civil society organisations\textsuperscript{16} and has been subject to legal challenges by Human Rights organisations in Kenya\textsuperscript{17} and in 2016 Uganda’s high court ordered the closure of 63 Bridge schools.

These education companies and their financial backers exist in a blurred landscape of profit and public service. Their employees cross between the public and private sector. For their owners and funders, education services sit alongside other profit opportunities – fashion, pet-food, property development, education technology - in diversified business portfolios. In times of austerity when other sectors of business are in recession educational services offer attractive alternative investment possibilities. The companies invested in are ambitious, expanding, global businesses working across national settings, bringing standardised practices – curriculum, pedagogy and assessment - to bear. In the case of Sweden part of state education has been owned


\textsuperscript{13} See <http://www.ssireview.org/point_counterpoint/philanthrocapitalism>.

\textsuperscript{14} \textsc{Rangan, V. Kasturi, and Sarah Appleby}. “Bridges Ventures”. Harvard Business School Case 514-001, October 2013. (Revised October 2017.)

\textsuperscript{15} \textit{Education Investor}, February 2013, vol 5, no1, 18.


and operated by an overseas-based business. As yet we have little sense of the significance of the foreign ownership of national educational infrastructure or services and the limits that this may place on national policy options or the possibility that multi-national education businesses will use their leverage to influence national policies in their interest or the possible consequences of business failures for national governments. Each of these examples, in different but related ways, indicate something of the degree interest in education by business, and the size and value of the various global markets in education services, but they only scratch the surface.

The global education services market was estimated to be around $1965 billion as of 2017. The global education services made up around 62% of the overall social service market in 2017. The education services market was the largest market in the global social service market in 2017. (Business Wire January 2018).

Here also we see the growth, through acquisitions and mergers of global education brands that in some cases wield considerable financial influence in relation to education policy. These businesses and their representatives are playing their part in the ‘purposeful’ destatalisation and commodification of education. The initiatives, ambitions and ‘visions’ of the companies, work on the education system, as a form of economic attrition, converting public into private goods, bringing new practices, values and sensibilities into play. They take up roles within the discourse and infrastructure of education reform, converting education policy into a different sort of language, invested with different sorts of relationships, interests and purposes. Concomitantly the roles and structure of the state are changing. Increasingly states are monitors, contractors and target-setters rather than responsible for service delivery. The state becomes a regulator and market maker in a complex network of relations with a diverse set of actors and organizations.

Conclusion

What I have been trying to represent and explore here, to borrow from Ong (2006), are ‘new spaces of entangled possibilities’ which are constituted and enacted within new global education policy networks. However, the examples and discussion, and the relations between business, reform, the state and the arts of governing, as presented here, are indicative and tendential rather than substantive, further analytical effort is required. It is tempting and somehow trite, but nonetheless true, to say that this is a complex, unstable and difficult terrain of research. In many respects we have neither the language and concepts nor the methods and techniques appropriate for researching these new topologies and modes of policy. These developments and changes in education policy and the education state, affecting the forms and modalities of educational provision and organisation, have out run the current purview of our research agenda and that we need to adapt and adjust what it is we consider as research problems in order to catch-up. We need to ask different questions and also to look in different places for answers to these questions (see Ball, Junemann, & Santori, 2017). We may also need some new skills and sensibilities if we are going to address these developments sensibly. In particular we must begin to draw upon forms of business and financial analysis or to put it another way, we must ‘follow the money’. That is, among other things, policy researchers have to become regular readers of the Financial Times and Wall Street Journal, and stock market reports and must learn to read company accounts (See Figure 1).

There is also the need for methods and sensibilities which are attuned to movement and flow rather than structure and place, that is we have to avoid or move beyond ‘flat’ and ‘fixed’ ontologies, and think outside of the national policy box. Furthermore, we need to think about ‘the temporality of processes, and the dynamic character of the inter-relationships between heterogeneous phenomena’ (Rizvi & Lingard, 2010 p. 7) as well as ‘the dynamics of change in the global era, affected by combinations of material shifts produced by new technologies and mobilities, as well as non-material elements such as globally convergent discourses and locally resisting traditions’ (p. 8). This is what Urry (2003 p. 157) calls the ‘mobility turn’ and Beck (2006) calls a ‘cosmopolitan sociology’ with a focus on the interconnected, the reciprocal, the nonlinear and dialectical and the mutable and fragile. That is, a focus on the ‘spatialising’ of social relations, on travel and other forms of movement and other transnational interactions, moments, sites, events and forms of sociality, in relation to policy and ‘policywork’.

References


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**Stephen J. Ball**

Distinguished Service Professor of Sociology of Education - Institute of Education/University College London. He is Managing Editor Journal of Education Policy, Affiliate Professor University of Copenhagen and Visiting Professor University of Glasgow.