

Show Me the Money! Neoliberalism at Work in Education

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ABSTRACT Neoliberalism is often addressed by commentators and critics as a set of ideas or a doctrine. This article considers neoliberalism as a set of financial practices and exchanges – as about money and profit – and goes on to suggest that as practitioners, researchers, activists we need to understand and engage with that logic and its mechanisms. Examples are given of the role of money in all aspects of education policy and education reform.

The unstated and usually unexamined subtext of neoliberalism is not doctrine but money, particularly and crucially in the form of profit. Of course, states are also about money. Policies cost money, and that money must come from somewhere, and one of the responses of states around the world to the 2008 financial crisis has been to make 'cuts' in public spending and to look for ways of doing policy cheaper - marketisation and privatisation are taken to be one way of doing policy cheaper, as well as more effectively. 'The expansion of market relations allows, in theory, a lower level of public spending, and therefore a lower level of taxation' (Connell et al, 2009, p. 332). However, in most education policy research money is rarely mentioned and is overwritten by a focus on ideas and practices. Even when subjected to the arcane mercies of the economics of education, issues of funding are dealt with as abstractions. However, in the interface between education policy and neoliberalism money is everywhere. Policy itself is now bought and sold, it is a commodity and a profit opportunity, and there is a growing global market in policy ideas. Policy work is also increasingly being out-sourced to profit-making organisations, which bring their skills, discourses and sensibilities to the policy table, for an hourly rate or on contract to the state.



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Alongside this, bits of policy, bits of the state, bits of statework, are now owned by the private sector - these bits are also traded. Private equity and global education businesses are interested in profitable education enterprises. State schools and hospitals built through Private Finance Initiative (PFI) and Public-Private Partnership (PPP) schemes are owned and run by banks, builders and management service companies and leased back to the state – and are again often very profitable and again are traded. There is also a lively market in private educational organisations - schools and universities - which are being bought and sold, bundled together, merged – Apollo, the largest private higher education provider in the USA, recently bought UK company BPP Holdings for just over \$600 million in anticipation of the award to BPP of degree-awarding powers. In 2011 Apollo wrote off a loss of \$170 million against the BPP acquisition. In all of this education is a service commodity, or is real estate (buildings and infrastructure), or a brand, alongside any other commodity or capital asset and is treated accordingly, subject to the same business strategies, the same generic management techniques, and the same systems of value (in both senses of the word). This of course brings into play new kinds of decisionmaking, new 'bottom lines', new interests. In the world of business shareholders, investors and stock market value, profitability is what counts in the final analysis.

Nonetheless, the argument is now being made that the disciplines of profit are what is needed to reform and re-energise the public sector; either in the form of 'social capitalism' or 'social enterprise'. That is, enterprise can succeed where the state has failed. As Bill Gates argued at the 2008 World Economic Forum:

The Challenge here is to design a system where market incentives, including profits and recognition, drive those principles to do more for the poor.

I like to call this idea 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.

Here, then, profit becomes a force for good, at exactly the same time as it brought the western financial system to the brink of collapse.

The discipline of profit, through enterprise and entrepreneurism is being used to neoliberalise public sector education from within and without – endogenously and exogenously. In the former, it does this by devolving budgets and encouraging educational institutions to be entrepreneurial, and thus to generate increasing amounts of their budget from non-state sources, as well as to seek ways of cutting their costs. This is interrelated with and partly dependent upon policies of labour force deregulation and flexibilisation and tends to produce 'a growing workforce of part-time and casual contract labour at the bottom of organisations' (Connell et al, 2009, p. 332) – the deployment of Learning Support Assistants in English schools is a case in point.

The critical point of interface between market and state is that of regulation, as represented in neoliberal discourse in the concept of 'limited government'. Increasingly within contemporary politics the issue is not whether there should be public service markets or not, market logics have become 'naturalised' (Tickell & Peck, 2003, p. 17), but how much and how loosely/tightly regulated. Indeed, the state is increasingly involved in facilitating, extending and managing markets. This includes replacing state organisations with voluntary, social-purpose or profit organisations, the contracting out of services or by making more private education provision available both in the form of private universities, high-cost international schools, private school chains, low-cost, storefront schools for the poor, and various forms of virtual and online learning.

Money, as profit, is significant, and needs to be researched in another sense - that is when it is 'given' - the increasingly significant role of philanthropy in education. The 'new' philanthropists like Gates, Omidyar (eBay), Dell, Walton, Broad, etc. want to 'give back' that which they generated in the form of profit from their businesses. However, they want to use their donations in a businesslike way as 'investments' with good returns. Here money is power in a number of ways: the power to get things done - build schools, start up programmes, pay for bursaries and the power to 'partner' with governments in solving social problems and the power to speak and enact policy, sometimes over and against the wishes of governments, in local and transnational arenas. As a result, policy is being done in different places now there is a respatialisation of policy. Indeed, new policy initiatives, like low-cost schools for the poor, attract financial 'investment' from both business and business philanthropy - venture capital and venture philanthropists - and are producing new sorts of organisations and organisational relationships that blur traditional distinctions between public, voluntary, philanthropic and for-profit. There are then, perhaps, different sorts of money involved here. There is big money and small money; both multinational businesses and local entrepreneurs; multimillion dollar investments and micro-loans. The microfinance business is enterprise as a solution to social and economic problems writ small (Stewart et al, 2011). In India, microfinance is now indeed a business, and some multinational banks are also getting interested in generating profit through such micro-loans. This is moving a long way from the original principles of Muhammad Yunus and the Grameen Bank. More research is needed on the evolving microfinance sector although a recent systematic review of microcredit research concluded that:

some people are made poorer, and not richer, by microfinance, particularly micro-credit clients. This seems to be because: they consume more instead of investing in their futures; their businesses fail to produce enough profit to pay high interest rates; their investment in other longer-term aspects of their futures is not sufficient to give a return on their investment; and because the

context in which microfinance clients live is by definition fragile. (Stewart et al, 2011, p. 6)

Money is also important in getting neoliberalism, as a doctrine and as a set of policy ideas, into the public and political imagination. That is, funding for advocacy, 'research' and 'influence' activities in making neoliberalism thinkable, possible, obvious and necessary as 'a new dominant social ideology' (Connell et al, 2009, p. 333). This is part of what Tickell and Peck refer to as the 'deep process' of neoliberalisation, and they argue that 'one of the more far-reaching effects of this deep process of neoliberalisation has been the attempt to sequester key economic policy issues beyond the reach of explicit politicisation' (Tickell & Peck, 2003, p. 16). This is done, in part, within various forms of policy advocacy; money and ideas work to join up advocacy activities to policy proposals and to programmes of reform. This is another form of the investment of profits for future returns. In this case capital, through philanthropic foundations, invests in the work of think tanks and advocacy networks and policy entrepreneurs with the intention and hope of exacting extensions to the commodification of the social, the creation of new markets and the deregulation of existing ones. As Connell et al (2009, p. 333) put it: 'Neoliberals continue to attack public enterprise, bureaucrats, red tape, regulatory agencies, unions, cooperatives, welfare dependency, and other hangovers from what they see as a discredited past'. In relation to this, neoliberalism is well organised and very practical. Networks like Atlas, IPN, Stockholm and Mont Pelerin enable the movement of ideas, the legitimatisation of policy, the bringing of influence to bear, the process of attrition in relation to the 'discredited past' as a 'sociocultural logic' (Connell et al, 2009 p. 333). All of this goes some way towards demonstrating that neoliberalism is neither natural nor inevitable (Tickell & Peck, 2003) in how it is being done and planned and enacted.

There are intimate but often unapparent relationships between critique, advocacy, philanthropy, social enterprise, business (of various kinds), academia and politics. Key individuals join up these social, political and economic fields as carriers of the discourse and practice of neoliberalism. This connectivity is the tissue, the substance of neoliberal attrition and advance - roll back and roll out. It is evident in links between US charter schools, private equity companies, venture philanthropies, organisations critical of public education, think tanks, and freelance educational consultants. It is evident in links between pro-market foundations, policy entrepreneurs, government departments, the World Bank, NGOs and commercial reading schemes (see Ball, 2012). It is evident in links between the funding of educational conferences, the publication of pro-market research and edu-businesses. It is evident in relations between multinational banks, their Foundations, not-for-profit educational providers in late-developing countries and new business opportunities. It is evident in a new generation of hybrid policy entrepreneurs who operate across advocacy, politics, philanthropy and business - whom Dezalay and Garth (2002 p. 30) call neoliberal technopols and who are 'strongly embedded in an international market of expertise

modeled on the United States' and whom Peck identifies as the 'principle agents' of roll-out neoliberalism. These technopols play a key role in what Dezalay and Garth call the 'dollarization' of post-Keynesian statecraft, which takes place through a set of complex, dense and intersecting networks which link together business schools, economic courses, treasuries and finance ministries, policy agencies, think tanks and multilateral agencies. James Tooley is one such technopol and policy entrepreneur (see Nambissan & Ball, 2010), and his activities focus specifically on education and education policy. He is prominent, indeed ubiquitous is the global education policy field, and his modus operandi exemplifies the work of policy mobility and roll-out neoliberalism. He operates on a number of levels, to give legitimacy to neoliberal solutions through research, to persuade and co-opt governments and philanthropists, to construct and animate infrastructures of financial and discursive relations, and to put ideas into practice through start-up enterprises.

Education policy, education reform are no longer simply a battleground of ideas, they are a financial sector, increasingly infused by and driven by the logic of profit. As practitioners, researchers, activists we need to understand and engage with that logic and its mechanisms. We need to read the business pages, company reports and public service contracts. We need to understand the stock market, business strategy and company accounts – we need to follow the money.

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