

# New Philanthropy, New Networks and New Governance in Education

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This article draws upon and contributes to a body of theory and research within political science which is concerned with changes in the policy process and new methods of governing society; that is, with a shift from centralised and bureaucratic government to governance in and by networks. This is sometimes called the ‘Anglo-governance model’ and the most prominent and influential figure in the field is Rod Rhodes. The article focuses on one aspect of these kinds of change within the field of education policy and argues that a new form of ‘experimental’ and ‘strategic’ governance is being fostered, based upon network relations among new policy communities. These new policy communities bring new kinds of actors into the policy process, validate new policy discourses and enable new forms of policy influence and enactment, and in some respects disable or disenfranchise established actors and agencies. The argument is illustrated with examples of networks identified and mapped by the author. Some of the relationships among participants who make up these new networks are traced and discussed, drawing upon research into the privatisation of education funded by the ESRC. These relationships interlink business, philanthropy, quangos and non-governmental agencies.

This article seeks both to add to a body of research within political science which is concerned with changes in the policy process and new methods of governing society, that is with the shift from ‘the government of a unitary state to governance in and by networks’ (Bevir and Rhodes, 2003, p. 41), and to make a modest contribution to the conceptualisation of policy networks. The analysis of policy networks is sometimes called the ‘Anglo-governance model’ and the most prominent and influential figure in the field is Rod Rhodes (see Marinetto, 2005; Rhodes, 1995; 1997; Rhodes and Marsh, 1992), although there is also a lively US school of public network management research (see Agranoff and Maguire, 2001). In both these literatures a contrast is drawn wherein governance is accomplished through the ‘informal authority’ of diverse and flexible networks, while government is carried out through hierarchies or specifically bureaucracy. Governance then, involves a ‘catalyzing of all sectors – public, private and voluntary – into action to solve their community problems’ (Osborne and Gaebler, 1992, p. 20) and ‘explores the changing boundary between state and civil society’ (Bevir and Rhodes, 2003, p. 42) – and as we shall see between state and the economy. 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). All of this suggests that both the form and modalities of the state are changing. ‘The state, although not impotent [see below], is now dependent upon a vast array of state and non-state policy actors’ (Marinetto, 2005, p. 599).

This article focuses on one aspect of these kinds of change within the field of education policy and argues that a new form of 'experimental' and 'strategic' governance is being fostered, based upon network relations within new policy communities. These new policy communities bring new kinds of actors into the policy process, validate new policy discourses and enable new forms of policy influence and enactment, and in some respects disable or disenfranchise or circumvent some of the established policy actors and agencies. This is a means of 'governing through governance' (Bache, 2003, p. 301). However, in deploying and discussing such changes I need to be clear that I am not suggesting that this involves a giving up by the state of its capacity to steer policy; this is not a 'hollowing out' of the state, rather it is a new modality of state power, agency and social action and indeed a new form of state. That is, the achievement of political ends by different means. It also needs to be pointed out that networks do not tell us everything we need to know about policy and the policy process. Network 'methods' and relations do not totally displace other forms of policy formation and policy action but rather take their place in 'the judicious mixing of market, hierarchy and networks to achieve the best possible outcomes' (Jessop, 2002, p. 242). Kooiman (2000) and others make the same point.

Here then I offer a preliminary analysis of some examples of new communities which have been formed in and around education policy, and consider some of the 'work' that they do in bringing about changes in policy and changes in governance.<sup>1</sup> I trace some of the relationships among participants who make up these new policy communities, drawing upon research into the privatisation of education funded by the ESRC. Two kinds of data were used to identify the networks discussed below (Figure 1a and b, Figure 2): a set of interviews with senior figures in the education services industry and a set of detailed and extensive internet searches focused on the education policy involvements of these and other relevant policy actors. Senior executives from all except one of the major UK education businesses, and several from smaller companies, were interviewed about the work of their companies, twenty interviews in all (see Ball, 2007 for more detail). The purpose of the interviews was to understand the history and work of these businesses, the constitution and history of their staffs and their engagement in and with current education policy processes. The approach is roughly similar to that of Robert Agranoff (2003) but more modest in scope and scale.

The article begins with a clarification of key terms. This is followed by an analytic description of two specific education policy networks and a brief discussion of business philanthropy and the 'enterprise narrative'. Finally, the article moves on to consider how these examples may contribute to the conceptual development of policy network analysis, both in terms of the various roles and functions of the networks – some reference is made here to Agranoff's work (2003) – and their contribution to changes in the English education state.

## Networks and Communities

There is a degree of misleading clarity about the concept of networks, as used in the governance literature. It is either used very abstractly to describe general changes in the form of government or deployed to refer to a very wide variety of real and practical social relationships. Furthermore, some of the writing on networks is normative and the distinction between prescription and analysis is sometimes blurred. The idea of networks is used here as a descriptive and analytic term, rather than in any normative sense, to refer to a form of governance that interweaves and interrelates markets and hierarchies – a kind of messy hinterland which supplements and sometimes subverts these other forms. It also indicates a method, a means for tracing and representing social relations within the field of policy.<sup>2</sup> The vagaries of the term are avoided, as far as possible, by focusing on a set of specific network relations, that is a ‘policy community’, which ‘catalyses’ business in the delivery of education services and reconfigures and disseminates education policy discourses. Rhodes (1995, p. 9) uses ‘the term network to describe the several interdependent actors involved in delivering services ... these networks are made up of organizations which need to exchange resources (money, information, expertise) to achieve their objectives’ – which is exactly the case in these examples. He adds that ‘governance also suggests that networks are self-organizing’ (Rhodes, 1995, p. 10). That is true here but only to a certain extent. Janet Newman (2001, p. 108) elaborates, pointing 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 ‘mobilise innovations’, but Newman (2001, p. 108) adds the important caveat that ‘Networks are informal and fluid, with shifting membership and ambiguous relationships and accountabilities’. Both comments have a relevance in this case.

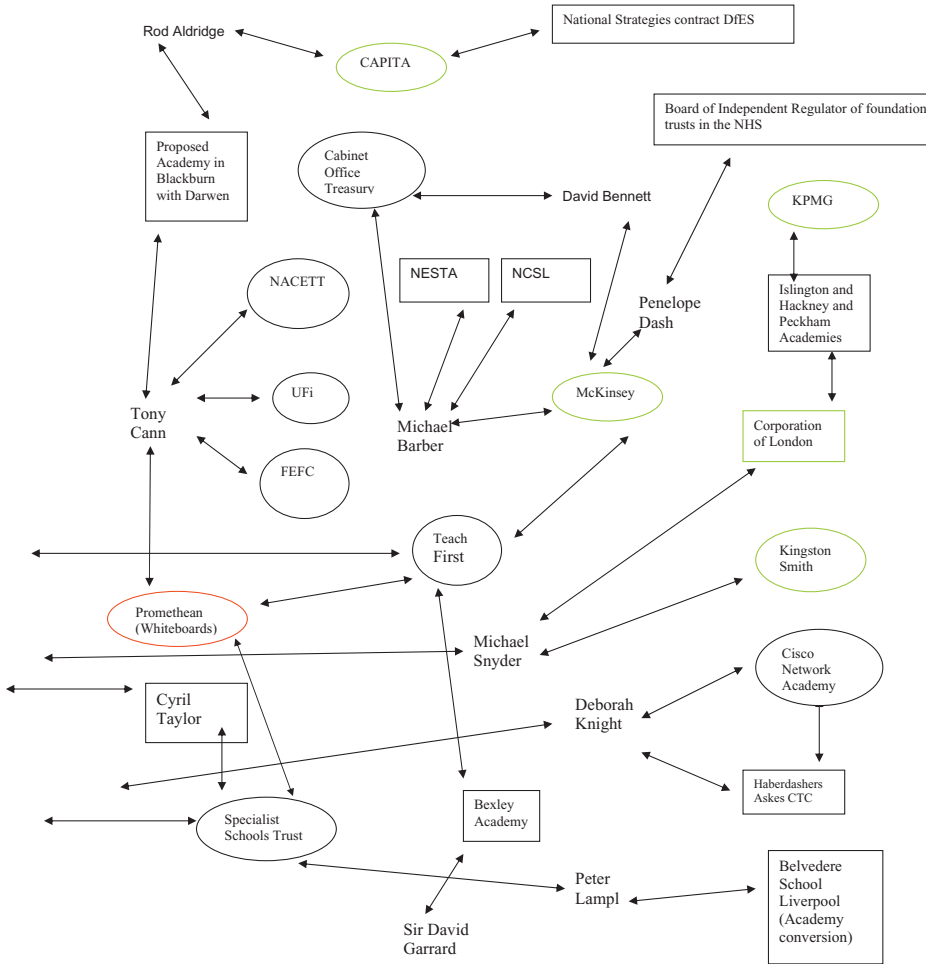
The term policy community also presents some difficulties but such communities can be thought about on a continuum of social and ideological cohesion. ‘At one end of this continuum are policy communities, as integrated, stable and exclusive policy networks; at the other end are issue networks of loosely connected, multiple, and often conflict-ridden members’ (Skogstad, 2005, p. 5). The examples offered in this article are closer to the former than the latter but are not as integrated, stable and exclusive as all that. They are institutionalised and stabilised via the work of various nodal actors (see below) and lead organisations (e.g. Academy Sponsors Trust, HSBC Educational Trust and Teach First). They consist of ‘personal relationships within a shared framework’ (Rhodes and Marsh, 1992, p. 17), have their own ‘internal relationships of trust and deference’ (McPherson and Raab, 1988, p. 405) and bring members of the ‘power elite’ into a very specific relation to state education and education policy. 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 and Skogstad, 1990, p. 4). This is, as

Figure 1a and b: Education Policy Network 1



Charles Wright-Mills calls it, a new form of ‘institutional mechanics’ (Wright-Mills, 1959, p. 20). By ‘examining networks we are looking at the institutionalization of power relations’ (Marsh and Smith, 2000, p. 6). Such influences and relationships are of course not entirely new; it is their specificity, directness and degree of integration with state organisations that is different. That is to say, the many actors and organisations referred to below are now a part of what Chris Skelcher (1998) calls ‘the appointed state’. They are represented on committees, trusts, boards, authorities, agencies and councils which are connected to and do

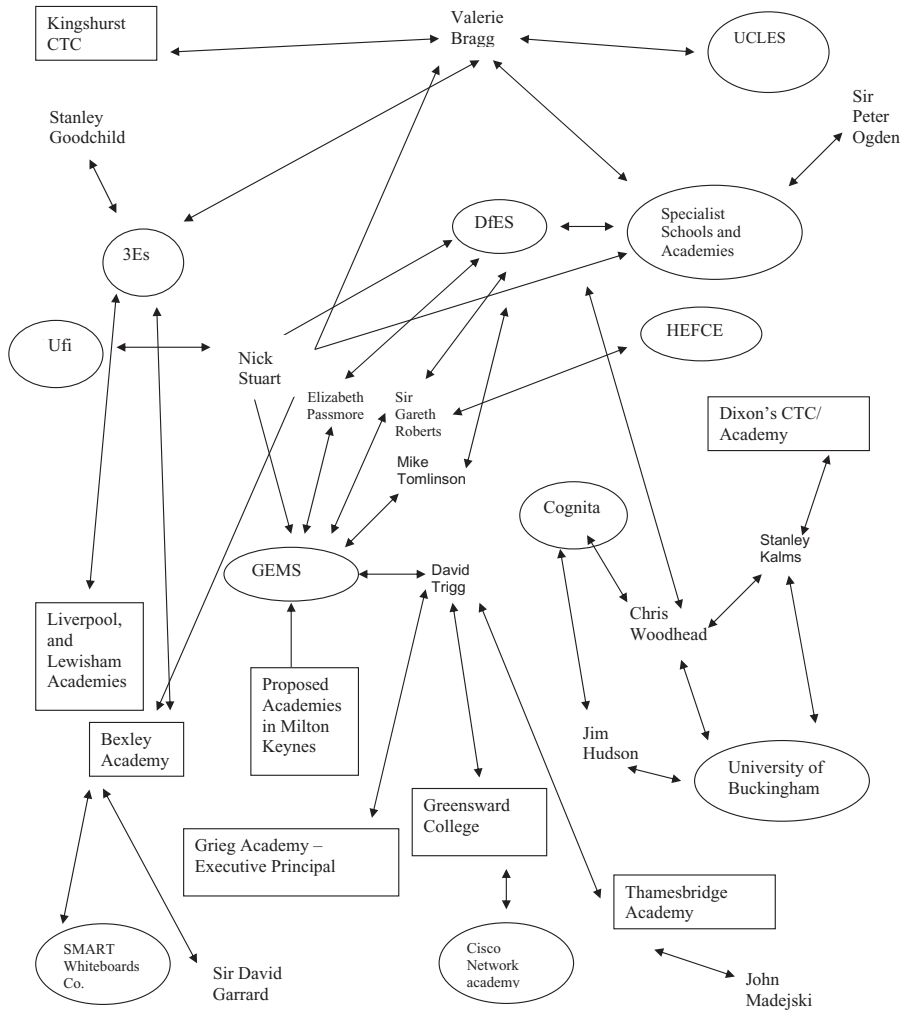
Figure 1a and b: Continued



the work of the state. They are 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. They are there to bring particular sorts of perspectives, methods and interests to bear on and in the policy process.

People move across and within such communities, and there are new kinds of policy and governance careers which can be constructed within them. They work through forms of ‘contact’; however, the nature of the relations between members (as represented by the arrows in the figures) is not the same in every case. Participations are also multifaceted: individual actors may be involved in networks in a variety of different ways, e.g. sponsorship, contracting,

Figure 2: Education Policy Network 2



advice, committee membership, etc. Contacts vary in their significance. One of the interpretive problems involved in thinking about how these networks work is that of deciding, at least in the case of some participants, where business ends and philanthropy or public service begins and to what extent philanthropy is a means of influence or a form of 'identity-work' (Breeze, 2007). The forms of exchange involved are often unclear. These communities establish productive and potentially profitable relationships within the state for non-state actors and they provide access to valuable insider knowledge (see Ball, 2007). But perhaps it is pointless to attempt to pin down precisely the motives involved here or to

try to separate out different elements and better to accept that motives for participation are contradictory and mixed. Nonetheless, as public sector business becomes more attractive and more lucrative for the private sector (UK public service outsourcing contracts are worth more than £2.5 billion annually), 'giving' or participation in policy events is a way of registering a presence and making 'purposeful' relationships with contractors and opinion makers. For example, as one of my respondents noted in the case of McKinsey, a multinational consultancy company which crops up several times in the networks illustrated, 'they've actually got a growing business now at McKinsey in the public sector. So ... It's another example, in a way, of profitable business moving towards the public sector ... they're flowing towards where the money is'.<sup>3</sup> Participation can also lead to the receipt of awards, honours and positions in and around the state itself.<sup>4</sup> Within the networks some people (or organisations) who occupy multiple positions and who are adept in the arts of networking act as nodes; they join things up. The boundaries of these networks are often difficult to discern and in the cases presented they are pragmatic and reflect more the limitations of data collection and of representation than any firm cut-off points in the actors' social relations.

The networks contain flows of influence as well as flows of people, and influence is carried back and forth across the boundaries between the public and private sectors; resources are exchanged, interests are served and rewards achieved. Through social relationships trust is established and views and discourses are legitimated. They structure and constrain, enable the circulation of ideas and give 'institutional force' to policy utterances, ensuring what can count as policy and limiting the possibilities of policy. As David Richards and Martin Smith (2002, p. 207) note, networks 'simplify the policy process by limiting actions, problems and solutions'. Indeed these networks are both carriers of discourse and contain key sites of discourse, wherein new policy ideas are naturalised and made eminently thinkable and obvious as the constituents of public sector reform narratives. Specifically in this case the 'enterprise narrative' (see Students in Free Enterprise [SIFE], National Foundation for Teaching Enterprise and The Academy for Enterprise [see Alec Reed below]). This is a new hegemonic vision which inserts competition and entrepreneurialism into the heart of the project of state education. Such narratives in turn serve to repopulate the field of policy, legitimating new actors; they rework the possibilities of public sector delivery and establish new key ideas and new social logics. These new actors are in Bob Jessop's terms the bearers of a new accumulation strategy and he notes their 'increasing participation ... in shaping education mission statements' (Jessop, 2002, p. 167).

### **New Policy Communities**

In this section I shall trace some of the relationships and identify some of the participants (individual and corporate) which make up new communities in

education policy but this will be of necessity a partial and indicative exercise. Ian Farnsworth (2004, pp. 132–45) does similar work on ‘social policy networks’ (and informal personal associations) at the local level looking at the constitution of welfare service boards in Bristol. The involvements and connections traced here are by no means exhaustive. The networks also have a degree of instability and mutability; memberships change and the lead organisations are subject to restructuring and change of status. Furthermore, some of the specific links shown may be fairly tenuous in terms of personal interactions but do indicate the ‘joining up’ of businesses, non-state organisations and actors and the ‘core executive’ and a general re-spatialisation of policy.

The foci or starting points for the mapping of the networks used here are fairly arbitrary – the Academy Sponsors’ Trust (AST) in the case of Network 1, and General Education Management Systems<sup>5</sup> (GEMS, a Dubai-based health and education services company) in the case of Network 2 – and as will become apparent the two networks overlap and are interlinked. Each contains some areas of intensive interrelationships and others where relationships are more fragmented. As noted, the limits of representation prevent the inclusion of all linkages, and what is meant here by linkages and relationships varies from board, committee and task force memberships to sponsorships, and includes a range of formal and informal positions and responsibilities. Lead organisations by definition act as network nodes and some Academy schools, like Sandwell and Bexley, through their sponsors, supporters and project managers, reoccur and are also the focus of several linkages in the networks. Given the limits of space I can only draw attention to and comment on some of the features of each of the networks.

Some members of these policy communities have multiple roles (within agencies, public service and philanthropy). They are at different times, or sometimes simultaneously, representatives of business, advisers to the state, philanthropists, moral entrepreneurs or doing public service and may be thought of as ‘transactors’ having both ‘shared’ and ‘additional goals’ (Wedel, 2001, p. 130) – that is, public and personal motives together. Tony Cann CBE (600th on the Sunday Times Rich List in 1999) is an interesting example of multiplicity: founder and now vice-chairman of Promethean Technologies Group (a whiteboard company with turnover in 2003 in excess of £38 million [company website]), he is also chairman of the University for Industry (Ufi) board, member of the National Advisory Council for Education and Training Targets (NACETT), former member of the Further Education Funding Council (FEFC) and sits on several FE college and university boards. Promethean is also a ‘partner’ of Teach First and the Specialist Schools Trust.<sup>6</sup> Mr Cann has also raised the possibility of sponsoring an Academy in Blackburn where his company is based, and was a sponsor of the Blackburn Education Action Zone. Another example is Sir Alec Reed, a new kind of policy entrepreneur who is a proselytiser for enterprise and creativity – an educationalist and businessman, writer, professor and philanthropist. He

demonstrates the complexity of the new form of governance apparent in the overlapping and interlinking of roles of new policy actors and the complexity of the actors themselves. The Reed Group of companies works with the private and public sectors to provide specialist employment services, including to schools. Alec Reed himself runs a charity (The Academy for Enterprise) which sponsors over twenty Specialist schools and he also sponsors an Academy school (The West London Academy). He is 606th in the 2004 Sunday Times Rich List with family wealth of £67 million. An article in *Creating Wealth* (PWC customer magazine, <http://www.bestbusinesswriting.com/interview-Reed.html>) describes Alec Reed as 'an innovator, a businessman and an educationalist with a power vision'. He is Professor of Innovation at Royal Holloway and Bedford College (and set up a course there, Leadership, Innovation and Enterprise Studies), and was Visiting Professor of Enterprise at Guildhall University. He has worked with four think tanks: The Adam Smith Institute, DEMOS, the Economic Policy Research Institute and the Smith Institute. Such community members represent and are part of a more general blurring of boundaries between the public and private sectors.

In Network 1 what is particularly noticeable is the participation of representatives of finance capital, in particular Goldman-Sachs, the Man Group, EIM and HSBC (HSBC is a member of the PPP Forum and active in the private finance initiative [PFI] market with equity interests in a number of schools projects). Paul Dunning of HSBC is a Director and Trustee of the charity Absolute Return for Kids (ARK), as is Stanley Fink of the Man Group and Jennifer Moses of Goldman-Sachs. ARK founder Arpad Busson is senior partner of EIM fund management company (with assets reported as ranging from £5–10 billion). He describes education as 'in crisis' and 'the biggest issue government face today' and argues that 'Charities must treat donors as if they were shareholders' (*The Observer*, 29 May 2005). Jon Aisbitt, once of Goldman-Sachs, now of the Man Group, is the proposed sponsor of an Academy in Brighton (in 2003 he was 406th on the Sunday Times Rich List with a personal fortune of £80 million and donated £250,000 to the Labour party election campaign of 2001) with Harvey McGrath, of Man Group (351st on the 2004 Sunday Times Rich List with a personal fortune of £112 million) and Gavyn Davies (ex-chairman of the BBC) of Goldman-Sachs; he is a Trustee of New Philanthropy Capital (NPC), which advises companies on philanthropic investments, including advice on participation in the Academies Programme, and is on the board of Business in the Community. Jim O'Neill of Goldman-Sachs is a sponsor of the charity Support and Help In Education (SHINE, which focuses on disadvantaged children) and sits on the Board of Teach First, as do Peter Lampl and Nick Lovegrove of McKinsey.

There are several nodal actors in this network, people who join things up, who are catalysts or synergisers: for example, Mary Richardson, Director of the HSBC Education Trust, an ex-state school head and education Dame; Sir Cyril Taylor,

Chairman of the Specialist Schools and Academies Trust; and Valerie Bragg, head teacher of Kingshurst City Technology College (CTC), co-founder of business services company 3Es (now owned by GEMS) and chief executive of the Bexley Academy. There are also a number of lead organisations like the AST and Specialist Schools Trust (SST). These trusts have several trustees from business including Mary Richardson (HSBC); Valerie Bragg (3Es); Dame Pauline Harris, wife of Lord Harris of Peckham (CarpetRight) (sponsor of several Academies); Michael Snyder (Kingston Smith and Corporation of London) (which also sponsors Academies); Peter Ogden (The Ogden Trust,<sup>7</sup> 228th on the 2003 Sunday Times Rich List with a personal fortune of £145 million, co-founder and Executive Director of Computer Services Company Computacentre until 1997); and Peter Lampl (founder of the Sutton Trust, whose wealth comes from a private equity business). The trusts act in part as brokers between policy and interested parties and potential donors from business and they are themselves funded by donations.

Various public sector organisations are also integrated into these networks; the Institute of Education (IOE), University of London, now has an HSBC iNET<sup>8</sup> chair in International Education Leadership, held by David Hopkins, previously Director of the Department for Education and Skills (DfES) Standards and Effectiveness Unit, and in 2004 Goldman-Sachs sponsored a UK/US Urban Education Conference at the Institute. The IOE is also a shareholder in Education Digital which runs Teachers TV, has taught Teach First students and has had collaborations with Cambridge Education Associates (CEA, a large education services business; Linda Neal of CEA sits on the Board of the National College of School Leadership). Brunel University is a co-sponsor with HSBC of a 16–19 Academy and the Universities of Liverpool, Bristol and the West of England are also Academy co-sponsors.

In Network 2 there are several ‘crossover’ actors represented: Mike Tomlinson, ex-Chief Inspector of Schools, Chair of the Hackney Learning Trust and Vice-Chairman and sometime Chair of the Advisory Board of GEMS; Elizabeth Passmore, ex-Director of Inspection of Ofsted and Schools’ Adjudicator was also a member of GEMS Advisory Board, as are Sir Gareth Roberts, ex-Vice Chancellor, Director of the Higher Education Funding Council for England (HEFCE) and DfES adviser and Nick Stuart, ex-DfES senior official (who represents the John Lyons Charity on the SST council). Such people bridge between public sector education policy and private schooling and bring their credibility and contacts to bear in doing so, but also sometimes face conflicts of interest as a result (see Smithers, 2005). Also represented in both networks are various ‘heroes’ of reform from the public sector who are models of good practice – of ‘what works’ – or traders in ‘good advice’: ex-head teachers Dame Mary Richardson and Dame Sharon Hollows (member of the DfES Standards Task Force, who now runs her own education consultancy company: ‘We are creative and strategic thinkers with a passion for enabling educational and organisational improvement’,

<http://www.hollowsconsultancy.com/cons.html>), and serving heads Sir Kevin Satchwell and Sir Dexter Hutt (on the SST Council) and Deborah Knight (who was a governor of Haberdashers' Aske's Hatcham CTC and is now Director of Policy of the Academy Sponsors Trust). These more 'ordinary' actors serve an important discursive purpose. They demonstrate that public sector reform is possible; that it works. They are public sector innovators who can speak about schools in ways that are recognisable on both sides of the public/private divide. They show that public sector actors can make a difference and can contribute to policies of 'transformation'. Then there are policy careerists like Sir Cyril Taylor (education adviser to ten Secretaries of State) and Rona Kiley, wife of Bob Kiley, London's ex-Commissioner for Transport. Rona Kiley was Director of Education and Business in the Community at London First (which 'works to make London a better city for Business') before becoming founding Trustee of Teach First, in which staff from McKinsey's were involved in *pro bono* activities; she then became Chief Executive of the Academy Sponsors' Trust. She had previously worked in the US as Executive Director of the Edison Preservation Foundation (partners in the Young Entrepreneurs Innovation Awards) and was Director of the New York City Office of Nature Conservancy. She is also a member of the Ministerial Advisory Group on the London Challenge (DfES) and is on the Advisory Board of Imperial College Business School. Such actors move across and between sites of policy or influence and information and speak across these sites, accumulating discursive authority. They collect and carry with them fragments of discourse which work to join up and fill in the new policy narratives. Again in the latter case entrepreneurship and enterprise is a primary theme.

Some participants have philanthropic 'careers' of a different kind within personal charities and causes, service on boards and committees and in public service positions – the 'great and the good' as they are sometimes called – like Paul Judge, Lord Harris, David Garrard and Michael Snyder. Again they move between policy 'sites' and accumulate knowledge, credibility and social relations. They are able to bring a form of 'entrepreneurial capital'<sup>9</sup> to bear upon their pronouncements and participations, ultimately dependent on but separate from the power of their wealth; although as noted already they are also able to speak knowingly about and identify 'problems' and 'blockages' and what needs to be done. They are a new kind of practical intellectual but it is very specific forms of experience and practice that are valued. They also play a role in narrating and propping up new compromises within policy and consolidating unstable alliances around policy solutions.

These then are not 'political' networks in the traditional sense. Linkage devices like the AST and NPC bring together businesses and people of different sorts with charity and education policy. They animate, inform and encourage the participation of 'others like us'. These networks and communities are, in part at least, a policy device. They facilitate 'experimentation' and ad hocery by the state and they clearly have a tenuousness and shift and change over time, as member-

ships, purposes, boundaries and relationships change. They have elements of both government and governance but work outside or around the rational-bureaucratic aspects of government and bring commercial and social entrepreneurship<sup>10</sup> to bear upon policy problems. These individuals represent a new chronotope of policy, as people who ‘get things done’ – they bring passion, drive and dynamism and a new and different kind of expertise to the tackling of social problems. In all this policy is made businesslike and apparently depoliticised. That is, policy becomes subject to the supposed qualities of business, efficiency and cost-effectiveness in particular. The focus is as much on the method of policy as it is the substance, and the values of enterprise and entrepreneurship, carried through these networks into policy, are taken to be uncontested and politically neutral.

Network 2 shows both a further set of relationships focused around Academy schools through the project management work of 3Es, which also runs a CTC and manages two state schools in Surrey and is now owned by GEMS. GEMS and Cognita, which both own chains of private schools, have indirect links of various sorts with the DfES (noted above), and Cognita through its Chairman Chris Woodhead (ex-Chief Inspector of Schools) has relationships with the private University of Buckingham and CTC sponsor Stanley Kalms – these are vestiges of a ‘Thatcherite’ education policy network. GEMS had proposed to fund two Academies itself, but this plan was abandoned in response to criticism from local parents. There are other ‘crossover’ actors here: David Trigg, head of Greensward College, a state school which has taken very seriously the business opportunities opened up by the 2002 Education Act, who has had advisory roles with two Academies and with GEMS; and Jim Hudson, an ex-primary head who now works with Cognita and the University of Buckingham.

### Philanthropy and Enterprise

The social networks which are identified here interlink business, business philanthropy, quangos and non-governmental agencies and government bureaucracies, and there is a recurrence of particular companies and people, related to particular kinds of policy ideas. The new policy communities emerging within education policy are both routes of influence and access for business organisations and businesspeople and new ways of realising, disseminating and enacting policy.

These new policy communities draw in and upon the ‘energies’ of entrepreneurial and policy ‘heroes’, social entrepreneurs and business philanthropists. In part the philanthropy which is represented in these communities is rooted in a post-Thatcherite, post-Enron resurgence of corporate social responsibility. There is also an importation of American-style corporate philanthropy and the use of ‘positional investments’ by business organisations, as well as a

re-emergence of the Victorian philanthropic tradition, represented for instance by the United Learning Trust and other religious impulses (Reg Vardy, Robert Edmiston and the Oasis Trust) (which also carry undertones of evangelism), and a new version of this tradition which draws upon the personal philanthropy of self-made business millionaires (Kalms, Harris, Petchey, Garrard, Lampl, etc.). In various ways, through the Academies programme, Specialist schools, Teach First, etc., philanthropy is becoming incorporated into state policy. Some of the participants in this constitute a philanthropic elite which is engaged with government, party and state in a number of ways as part of different policy networks.<sup>11</sup>

PETER LAMPL is the prime example of a new and influential beast: the multi-millionaire education philanthropist. Donations to schools have multiplied since the late Eighties when Margaret Thatcher's government introduced city technology colleges – giving business the chance to fund new schools and influence the way they operated. There are now 365 specialist schools, which are the successors of the original CTCs, and funding the state system seems to be increasingly popular among the very rich. Sir Stanley Kalms, chairman of the Dixons Group, Peter Vardy, chairman of Reg Vardy plc, Lord Harris, chairman of CarpetRight plc, publisher Lord Hamlyn, and retailer Lord Sainsbury are all prominent givers. But Mr Lampl, who made his fortune in investment, has set the pace in recent years. His summer camps giving under-privileged youngsters a taste of top universities have provided the model for copy-cat government schemes and a flagship scheme to fund poor pupils at a private school, which is putting a sledgehammer through traditional independent–state divisions. Mr Lampl will be paying up to £850,000 a year to ensure that The Belvedere School in Liverpool has a 100 per cent 'needs-blind' admissions policy. All pupils in the school will be selected on merit (unlike the Assisted Places Scheme and the old direct-grant schools programme) with those unable to pay the fees getting Lampl money (Bunting, 2000).

At an individual level the New Labour discourse of 'civic responsibility' is in evidence here as a reaction to Thatcherite, neoliberal values. This is manifest in the *pro bono* work and volunteering of workers by companies like McKinsey's. For some companies this is also now a way of retaining and motivating staff. But this also plays its part in making up 'portfolios of philanthropic investments' (respondent) which may contribute to the promotion or legitimation of corporate brands, and corporate giving is of course 'tax efficient'. To reiterate, I am not suggesting that all of this is totally new; the City of London institutions (stretching back through the Livery Companies) have a long history of philanthropic engagement (Green, 2005, pp. 43–4). What is different is the direct relation of 'giving' to policy and the more direct involvement of givers in policy communities and a more 'hands-on' approach to the use of donations: 'they want to be involved in the way the project is managed, for example' (respondent) (see Arpad Busson below).<sup>12</sup> This is what Peter Lampl calls 'strategic philanthropy' or what in the USA is called 'venture philanthropy' (e.g. NewSchools Venture Fund).

Where a project has proven its efficacy, we work closely with government to try to secure nationwide uptake and funding. I have invested money in demonstration stage projects, and, in partnership with the media, have tried to persuade the government to take these demonstrations and scale them up at a regional or national level (Peter Lampl, [http://www.philanthropyuk.org/guidetogiving/personal4\\_main.asp](http://www.philanthropyuk.org/guidetogiving/personal4_main.asp)).

## Discussion

As noted already, these networks 'enlarge the range of actors involved in shaping and delivering policy' (Newman, 2001, p. 125) and constitute 'new kinds of educational alliance' which 'New Labour seeks to create' around 'its project of transformation' (Jones, 2003, p. 160). They are examples of what Walter Kickert *et al.* (1997, p. 37) refer to as 'loosely-coupled weakly-tied multi-organisational sets' and are significantly different from the tightly focused, local and technological networks examined by Agranoff (2003). For this reason they are not easily susceptible to the specification and categorisation that Agranoff undertakes in terms of their roles and functions; nor is it sensible to attempt to categorise these complex and dispersed networks as a whole in terms of single functions. Nonetheless, some parts of these networks function in some of the ways that Agranoff identifies. For example, those parts of the networks which focus around the Academies programme do operate as what Agranoff calls 'action frameworks' which enable the adoption and implementation of policy in some innovative ways. The Sutton (Peter Lampl) and Ogden Trusts also offer and test out particular 'action frameworks' and contribute another of Agranoff's functions in terms of 'capacity-building' (Agranoff, 2003, p. 16), that is, developing and transmitting a knowledge architecture, but it is unclear to what extent, given their looseness, these networks could be described as 'learning entities' (Agranoff, 2003, p. 3). However, again they do to some extent inject energy and expertise into the education policy arena in the form of entrepreneurship and again this has particular relevance to the Academies programme and to Specialist schools. In this respect also these networks are a policy device, a way of trying things out, getting things done, changing things and avoiding established public sector lobbies and interests. They are a means of interjecting practical innovations and new sensibilities into areas of education policy that are seen as change resistant and risk averse and in general terms they 'pilot' moves towards a form of 'post-welfare' education system in which the state contracts and monitors but does not deliver education services.

However, there are other characteristics and functions of these networks which are not given much attention by Agranoff or other 'public network management' writers. For example, as I have stressed, in ways that many governance writers ignore, these networks are also exclusionary and they do not as Agranoff suggests represent 'different mandates'. Rather they are selective and univo-

cal. Some potential or previous participants in policy are specifically excluded – trades unions for example – and challenges from outside the shared basis of discourse ‘may be easily deflected or incorporated’ (Newman, 2001, p. 172). These are exclusive networks based partly on prior relationships and special criteria of membership – one being wealth, being ‘on-side’ ideologically another, and personal relationships within government a third. These networks also work to re-spatialise policy, creating new sites of influence, decision making and policy action. That is, the ‘territory of influence’ (Mackenzie and Lucio, 2005) over policy is expanded and at the same time the spaces of policy are diversified and dissociated. As a result, as these new sites within the contexts of influence and text production (Ball, 1994) proliferate, there is a concomitant increase in the opacity of policy making. Within their functioning it is unclear what may have been said to whom, where, with what effect and in exchange for what (see Cohen, 2004). Also in contrast to cases examined by Agranoff, or at least not attended to by him, these networks are in part defined by commercial interest in particular policy outcomes; some of the relationships here are specifically contractual and financial. As I have stressed, individuals and organisations may have different forms of involvement in different parts of the networks but these cannot be assumed to be unconnected in terms of intention or effects.

Further, it is also important to recognise the discursive and political functions of these networks. Through them new voices are given space within policy talk. New narratives about what counts as a ‘good’ education are articulated and validated (see Ball, 2007); in particular the community members enact, embody and disseminate narratives of enterprise and enterprising solutions to social and educational problems. New linkage devices are being created over and against existing ones, excluding or circumventing but not always obliterating more traditional sites and voices. They serve to ‘short-circuit’ existing policy blockages. The public sector generally is worked on and in by these new policy actors, from the outside in and the inside out. Linkages and alliances around policy concerns and new policy narratives cross between the public and private sectors. New values and modes of action are thus instantiated and legitimated and new forms of moral authority established, and again others are diminished or derided. The practical and financial ‘successes’ of particular individual entrepreneurs are a particular source of authority and legitimacy here.

These networks are indicative of a new ‘architecture of regulation’ based on interlocking relationships between disparate sites in and beyond the state and display many of the characteristics of what Richards and Smith (2002, pp. 28–36) call a ‘postmodern state’, which is dependent, flexible, reflexive and diffuse but centrally steered. Policy is being ‘done’ in a multiplicity of new sites ‘tied together on the basis of alliance and the pursuit of economic and social outcomes’ (MacKenzie and Lucio, 2005, p. 500); although the strength of such an alliance

should not be overstated. These communities contain some 'strange bedfellows' and contain actors whose continuing allegiance is to the Conservative party, as well as others who have made political donations to both Labour and the Conservatives. Some of the people in Network 1 are 'survivors' or carry-overs from the policy networks of Conservative governments, e.g. Paul Judge,<sup>13</sup> Stanley Kalms and Cyril Taylor.

## Conclusion

In this article I have sought to do a number of things: first, to populate the dynamics of education policy and the blurring of the public/private divide in relation to policy with real social actors; second, to illustrate the complexity of motives, rationales and values invested in policy communities which range from forms of 'giving' to forms of 'investment' and forms of influence. There is the possibility within these communities of interest to be both responsible (personally or corporately) and to gain advantage; third, and importantly, to demonstrate the particular role of the education businesses and finance capital within the policy process; fourth, with reference to Agranoff, to indicate some of the functions of these networks; and last, to indicate the new education policy communities as 'policy devices', as means of governance, as new ways of getting social management and policy work done and public sector institutions re-cultured.

However, in accounting for all of this in the terms of the 'Anglo-governance model', what is happening here is not in any simple sense a process of 'hollowing out the state' or any kind of thoroughgoing weakening of the state's capacity to steer policy. While steering may have become more complicated across the 'tangled web' of policy networks as Mike Marinetto (2003) and Ian Holliday (2000) argue, the 'core executive' retains substantial authoritative presence over policy and in some respects (certainly in education) has achieved an enhancement of capacity (Holliday, 2000, p. 173) in monopolising and deploying 'a unique set of powers and resources' (Marinetto, 2003, p. 606; Parker, 2007; Christopoulos, 2008). Ian Bache (2003, p. 300) also makes this point and describes it as 'a paradox at the heart of contemporary politics'. What is represented here is a 'filling in' rather than a 'hollowing out' (Taylor, 2000) of the state which involves a studied manipulation of the conditions and possibilities under which networks operate and the careful, strategic use of financial controls and allocation of resources.<sup>14</sup> Relations here are complex but clearly asymmetric. Nonetheless, there is an important shift of *emphasis* involved which we can think about as a move from government to governance. This shift is based upon a 'concern with managing networks rather than directing state bureaucracies' (Smith, 1999, p. 250) but it is not an absolute break or rupture; bureaucracies continue to be the vehicle for a great deal of state activity.

## Glossary

(Not explained elsewhere in the text)

Capita	Multinational management services company that holds numerous government contracts
CEA	Cambridge Education Associates, education business, now Cambridge Education, subsidiary of Mott Macdonald
Cognita	Private school company funded by private equity
FEFC	Further Education Funding Council (abolished in 2000 and replaced by the Learning and Skills Council (LSC))
Hay Group	Global management consulting firm
Kingston Smith	Large London-based accounting firm
KPMG	Global network of professional firms providing audit, tax and advisory services
Man Group	Multinational company specialising in 'alternative' investments
LSDA	Learning and Skills Development Agency
NCSL	National College for School Leadership
NESTA	National Endowment for Science, Technology and the Arts
PPP Forum	The private sector industry body for the PPP/PFI industry
3Es	Not-for-profit education business latterly acquired by GEMS
UCLES	University of Cambridge Local Examinations Syndicate
Ufi	University for Industry, a public-private partnership

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## Notes

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- 1 This is an overview of network participants and their connections rather than an attempt to make direct links between participation and particular policies, although there are various indications of such links, the Academies programme for example.
- 2 See Knox *et al.* (2006) for a discussion and review of the network method.
- 3 In 2005 former McKinsey executive David Bennett was appointed as a senior adviser to Tony Blair, as part of a shake-up of Number 10 after the election. Michael Barber, one of Blair's key policy advisers and head of the Treasury Delivery Unit, moved the other way to join McKinsey.
- 4 An adviser to the Academies and Specialist Schools Trust resigned after indicating to an undercover reporter that sponsorship of an Academy would deliver an honour (<http://education.Guardian.co.uk/newschools/story/0,,1703426,00.html>). At least four Academy sponsors have been interviewed by the police in their inquiry into 'cash for honours' allegations; e.g. see <http://www.colin-ross.org.uk/news/651.html>

- 5 GEMS is headed by Sunny Varkey, a Dubai-based entrepreneur. It runs private schools in several countries and bought a UK group of private schools from Nord-Anglia in 2004 with the intention of building up a chain of 200 'economy class' schools by 'cutting personnel costs' and increasing class sizes (Varkey, AMEinfo, 11 January 2005). GEMS also runs private health care facilities in the Middle East. In 2005 GEMS bought education services company 3Es and made an offer to sponsor two Academies in Milton Keynes, later withdrawn (<http://news.bbc.co.uk/1/hi/education/4443512.stm>). *The Business* (6/7 March 2005, p. 7) reported that 'Blair is considering issuing a contract to GEMS to build and run schools' in the state sector.
- 6 The Academies and Specialist Schools Trusts are now merged (as the ASST); for clarity of presentation I have kept them separate here.
- 7 The Ogden Trust is now supporting 42 Specialist schools across the country and sponsors the National Schools Business Competition for sixth-formers, [http://www.businesscompetition.co.uk/html/sir\\_peter.htm](http://www.businesscompetition.co.uk/html/sir_peter.htm)
- 8 INET is the international arm of the Specialist Schools Trust.
- 9 What I mean by that is a particular kind of moral credibility and worth, and valorisation of experience, which is particular to the political discourse of New Labour and which comes from being 'self-made' and from turning 'good ideas' into wealth: see <http://www.4-small-businesses.co.uk/top-small-businesses-idea-068.html>. This articulates both with Labour's 'narrative of enterprise' and the emphasis given to 'meritocracy'.
- 10 'The job of a social entrepreneur is to recognize when a part of society is stuck and to provide new ways to get it unstuck ... Nothing is as powerful as a big new idea – if it is in the hands of a first class entrepreneur' (Ashoka website). The UK government has set up an agency called Futurebuilders which has a £215 million fund to make loans to social enterprises; Peter Wheeler of Goldman-Sachs is Chair of the Board.
- 11 Three Academy school sponsors, Townsley, Garrard and Aldridge, were also involved in making loans to the Labour party.
- 12 Handy (2006) calls this 'new philanthropy' and also suggests that this is different from earlier forms of philanthropic engagement.
- 13 Sir Paul Judge is Chairman of the Teachers TV Board of Governors, is a former Director General of the Conservative party and Ministerial Adviser at the Cabinet Office. He is Chairman of the Royal Society of Arts, Manufactures and Commerce and President of the Association of MBAs.
- 14 Also in passing I want to acknowledge Marinetto's point about the history of the tension between government and governance and note the period during the 1950s and 1960s of what Eric Briault called 'the triangle of tension' wherein much education policy was undertaken through another policy community involving an often uneasy relationship between the DfES, National Union of Teachers (NUT) and local authorities.

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