Education plc

Understanding private sector participation in public sector education

STEPHEN J. BALL
The privatisation of education is controversial but is it inevitable? How widespread is it? What does it mean for educational practice?

In Education plc, Stephen Ball provides a comprehensive, analytical and empirical account of the privatisation of education. He questions the kind of future we want for education and what role privatisation and the private sector may have in that future. Using policy sociology to describe and critically analyse changes in policy, policy technologies and policy regimes, he looks at the ethical and democratic impacts of these changes and raises the following questions:

- Is there a legitimacy for privatisation based on the convergence of interests between business and the ‘third way’ state?
- Is the extent and value of private participation in public education misunderstood?
- How is the selling of private company services linked to the remodelling of schools?
- Why have the technical and political issues of privatisation been considered but ethical issues almost totally neglected?
- What is happening here, beyond mere technical changes in the form of public service delivery?
- Is education policy being spoken by new voices?

Drawing upon extensive documentary research and interviews with senior executives from the leading ‘education services industry’ companies, the author challenges pre-conceptions about privatisation. He concludes that blanket defence of the public sector as it was, over and against the inroads of privatisation, is untenable and that there is no going back to a past in which the public sector as a whole worked well and worked fairly in the interests of all learners, because there was no such past.

This book breaks new ground and builds on Stephen Ball’s previous work on education policy. It should appeal to those researching and studying in the “elds of social policy, policy analysis, sociology of education, education research and social economics.

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The point is “to make the agony of decision-making so intense that you can only escape by thinking”.

(Fred Friendly)
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Abbreviations

AC    Audit Commission
ACCA  Association of Chartered Certified Accountants
AIM   Alternative Investment Market
ARK   Absolute Return for Kids
ASB   Accounting Standards Board
ASI   Adam Smith Institute
ASST  Academies and Specialist Schools Trust
AST   Academies Sponsors Trust
BECTA British Educational Communications and Technology Agency
BSF   Building Schools for the Future
CABE  Commission on Architecture and the Built Environment
CBI   Confederation of British Industry
CCT   Compulsory Competitive Tendering
CEA   Cambridge Education Associates
CEL   Centre for Excellence in Leadership
CEO   Chief Education Officer
 CfBT  Centre for British Teachers
CIPFA Charter Institute of Public Finance and Accountancy
CLCs  City Learning Centres
CPA   Comprehensive Performance Assessment
CPD   Continuing Professional Development
CRB   Criminal Records Bureau
CSR   Corporate Social Responsibility
CTC   City Technology College
DBFO  design, build, finance and operate
DETR  Department for Employment, Transport and the Regions
DfES  Department for Education and Skills
EAZ   Education Action Zone
EiC   Excellence in Cities
ESI   education services industry
FDA   First Division Association
FE    further education
FEFC  Further Education Funding Council
FM facilities management
GATS General Agreement on Trade and Tariffs
GEMS Global Education Management Systems
HBS Hyder Business Services
HCESSE House of Commons Education and Skills Select Committee
HE higher education
HEFCE Higher Education Funding Council for England
IDeA Improvement and Development Agency
ILAs Individual Learning Accounts
ILEA Inner London Education Authority
IOE Institute of Education
IPPR Institute for Public Policy Research
IWb interactive whiteboard
KNWS Keynesian National Welfare State
LA local authority
LEA local education authority
LEP Local Education Partnership
LMS Local Management of Schools
LSDA Learning and Skills Development Agency
LSN Learning Skills Network
LSP Local Strategic Partnership
MCG Major Contractors Group
MOD Ministry of Defence
NACETT National Advisory Council for Education and Training Targets
NAGM National Association of Governors and Managers
NAHT National Association of Headteachers
NAO National Audit Office
NCSL National College for School Leadership
NDPBs non-departmental public bodies
NFTE National Foundation for Teaching Enterprise
NGOs non-governmental organisations
NLGN New Local Government Network
NUT National Union of Teachers
ODPM Office of the Deputy Prime Minister
OECD Organization for Economic and Cultural Development
Ofsted Office for Standards in Education
PAC Public Accounts Committee
PFI Private Finance Initiative
PfS Partnerships for Schools
Plasc Pupil level annual school census
PPP Public Private Partnerships
PPPF Public Private Partnership Forum
PUK Partnerships UK
PWC PricewaterhouseCoopers
QAA Quality Assurance Associates
Abbreviations

QCA  Qualifications and Curriculum Authority
QIA  Quality Improvement Agency
RGfL  Regional Grids for Learning
RSA  Royal Society for the encouragement of Arts, Manufactures and Commerce
SEN  Special Educational Needs
SEU  Social Exclusion Unit
SHA  Secondary Headteachers’ Association
SIFE  Students in Free Enterprise
SMF  Social Market Foundation
SPV  Special Purpose Vehicle
SRB  Strategic Regeneration Budget
SSP  Strategic Service Partnership
SWS  Schumpeterian Workfare State
TDA  Training and Development Agency for Schools
TES  *Times Educational Supplement*
TPS  Teachers’ Pension Scheme
TTA  Teacher Training Authority
TUPE  Transfer of Undertakings (Protection of Employment)
UCLES  University of Cambridge Local Examinations Syndicate
Ufi  University for Industry
ULT  United Learning Trust
VTES  Vosper Thornycroft Education and Skills
This book builds upon and extends my long-standing interest in the contemporary history of education policy. It uses the method of ‘policy sociology’ (Ozga 1987; Ball 1994) to describe and critically analyse changes in policy, policy technologies and policy regimes in the UK, and some of the ethical and democratic impacts of these changes, although the purpose here is to understand rather than rush to judgement. As in my previous work theoretically and conceptually the book is pragmatic and eclectic. As such my examination of privatisation(s) involves the use of a variety of analytic tools to understand, interpret and begin to explain the phenomenon. These tools are of three sorts and are employed self-consciously and tentatively to provide a methodological framework which is both ontologically flexible and epistemologically pluralist (Sibeon 2004) and a set of analytic concepts which are potent and malleable. They are respectively discursive, structural and interpretive and they enable me to explore the complex interactions of social relations, economics and discourses without assuming the necessary dominance of any of these.

Discourse

Discourses are fallible but in fluential particular ly in providing possibilities of political thought and thus policy ‘but the extent to which they produce what they name is a matter for empirical research’ (Sayer 2005: 76). They are also rooted within material contexts and networks of social interaction. Through narratives of plausibility, including the shared personal narratives of significant classes, strata, social categories or groups that have been affected by the development of the post-war economic and political order (Jessop 2002: 93), policies accumulate credibility and legitimacy. These narratives offer language and practices in terms of which the public sector is being reformed. They are fundamental to the production of an obviousness, a common sense, a ‘banality’ (Rosamond 2002) and often an inevitability of reform, of a particular sort. “There is no alternative to reform. No one should be allowed to veto progress . . .” (Rod Aldridge of Capita and Chairman of the CBI Public Services Strategy Board). They constitute what Angela Eagle calls a ‘default
model for any reform’ (2003: 13) and a kind of reform readiness, or a ‘systematicity’ (Mills 1997: 17) and a ‘solidity and normality which is difficult to think outside of’ (p. 54). Voices on the ‘outside’ of normal find it difficult to be heard. The discourses of reform have distinctive generative effects but these effects are not deter minate nor simply predictable and neither do they work independently from other extra-discursive mechanisms. They provide authoritative readings of prevailing economic and political conditions and problems (see below on globalisation) and media te and render as ‘sensible’ the ‘appropriate’ solutions.

The prevailing discourse of education and public sector reform generates, as discourses do, subject positions, social relations and opportunities within policy. New kinds of actors, social inter actions and institutions are produced (see Chapters 4 and 5). Specifically, the meaning, force and effect of this discourse are framed by an over-bearing, economic and political context of international competitiveness. “The purpose of our social model should be to enhance our ability to compete, to help our people cope with globalisation” (Prime Minister Tony Blair’s speech to EU Parliament, 26 June 2005). The key ideas of these reform narratives are ‘scaffolded’ by and ‘sedimented into institutions and operative networks’ (Robertson 2006: 12) – they circulate and gain credibility and impetus through such netw orks. ‘Those discourses which are commented upon by others are the discourses we consider to have validity and worth’ (Mills 1997: 67). These are new ways of talking about (“personalised learning”, “intelligent accountability”, “leadership capacity building”, “operative imperative”, “activity streams”) and realising educational processes and relationships. They are spoken and authorised by a variety of types of (new) actors speaking from a variety of (new and newly) relevant sites and positions which map out possible uses of statements within the discourse. These statements are made up of fragments – slogans, recipes, incantations and self-evidences (see Chapters 2 and 6). The recitations and rhetorics in volved here are part of the process of building support for state projects and establis hing hegemonic visions. As Fairclough (2000: 157) puts it, ‘much of the action of government is language’. These statements are painstakingly reiterated but also constantly elaborated and in fle cted (retrofitted) and this does not necessarily help to produce a clear and coherent vision of the future to which they point. What can count as part of the discourse is limited but is also diverse; the statements and fragments do not make a coherent joined-up whole. They do not have their effects by virtue of their inherent logic. Discourses often maintain their credibility through repetition, substantive simplicity (see the discussion ofJessop later in this chapter) and rhetorical sophistication, for example in this case what Fairclough (2000: 10) calls ‘the denial of expectations’ which is central to the language of New Labour.

As indicated already, the naturalness of these discourses of reform arises in good part from what has been excluded from them and by them and rendered unsayable. Exclusion is indeed one of the most important aspects of discursive
production. Nonetheless, discourses exist over and against these exclusions, they are always ‘in dialogue and in conflict with other positions’ (Mills 1997: 14) and accordingly the discourse of reform strategically appropriates from other sources in relation to its contrary objects – trust, creativity and social capital are perhaps examples. This is achieved in part by bringing together ‘impossible alternatives’ (Fairclough 2000) (see Chapter 7). This can very effectively undermine the possibilities of speaking ‘otherwise’ or in opposition to reform discourses. Despite their bricolage form, the discourses of contemporary reform have an agonistic dependency, even if this often rests upon a set of ‘false dilemmas’, that is they rest heavily for their legitimation on a particular ‘discourse of derision’ (Kenway 1990), one which pathologises the welfare tradition of public sector provision, which generates in turn what Torrance (2004: 3) calls a ‘discourse of distrust’. As we shall see later there is a confusing interplay of trust/distrust inside the discourse and mechanics of public sector reform. A great deal of rhetorical effort and discursive work are expended on ensuring that the public sector is portrayed as ineffective, unresponsive, sloppy, risk-averse and innovation-resistant (except when it is not). Such portrayals also work to exclude or devalue particular voices, which thence have difficulty in inserting themselves into a discourse by virtue of the way in which they are spoken of by it (see Box 1.1). But there is a contrary but concomitant celebration of public sector ‘heroes’ of reform and of new kinds of public sector ‘excellence’. These are part of a new public sector, set over and against the old.

The discourse of ‘the private’, and ‘the market’, is examined in the next chapter.

The competition state

The second set of tools on which I draw are from Jessop’s (1997, 1998a, 1998b, 2001, 2002, 2004) particular combination of economic geography and political sociology and his analyses of the capitalist state and state intervention, specifically the co-evolution of the economic and political aspects of what he calls the Keynesian National Welfare State (KNWS) and its ‘potential replacement’ by what he calls the Schumpeterian Welfare State (SWS) or ‘competition state’ (a term also used by Cerny 1990: 220–31). The competition state ‘aims to secure economic growth within its borders and/or to secure competitive advantages for capitals based in its borders’ (Jessop 2002: 96) by promoting the economic and extra-economic conditions necessary for competitive success. In this account the conditions addressed are those produced within the education system. This is not an argument based on any kind of simple economic determinism but rather an account of ‘structural coupling’, a mutual conditioning and accommodation between accumulation and regulation: ‘emerging modes of regulation themselves play a key role in constituting the eventual objects of regulation’ (Jessop 2002: 134). In effect, Jessop’s argument is that the changes that have taken place over the last 25 years in the
regime of capital accumulation have made the KNWS increasingly redundant and indeed obstructive, under mining of the conditions of accumulation. The relationships between the emerging accumulation regime (post-Fordism) and the institutional ensemble of the mode of regulation became increasingly incoherent. The KNWS became subject to mounting crises, in and of itself, that is both structurally and subjectively, which could no longer be managed or deferred. This was not as a result of some kind of disembedded economic logic, but rather a conjunction of crises, financial, economic, social and political – inflation, taxation costs, un governability, unemployment, demographic change, inequality, rigidity, changing national identities, family instability, movements of capital, ecological problems, etc., etc. – occurring at various

### Box 1.1 Privileging the private

Allyson Pollack describes a meeting with Gordon Brown at which she questioned important aspects of PFI policy and notes that ‘his response was simply to declare repeatedly that the public sector is bad at management, and that only the private sector is efficient and can manage services well’ (Pollack 2004: 3).

The era of state-only funding is over... we must remember that no public service model has ever delivered high quality services for every child.

(DfES source quoted by J. Sutcliffe, TES, 13 April 2001, p. 20)

Today David Crossley, headhunted by 3Es from a private international school in Brunei to be the new principal of King’s College, ranges through his newly refurbished buildings, talking enthusiastically about a new ethos and innovative ways of teaching. Why does he think bringing in a private company was necessary at King’s College? Education has suffered from a conservatism and command and control structure which has stifled innovation, he argues, but ‘it doesn’t have to be private, that’s a red herring. It’s the quality of ideas and some money to implement them.’

(Felicity Lawrence, EducationGuardian.co.uk, 24 July 2001)

Mr Neil McIntosh of CfBT Education Services told us that it was not possible to define specific qualities which private companies can bring to education, but that the ‘variety and competition’ which private companies did bring helped to counter the tendency of monopoly providers to ‘a trophy over time’.

(House of Commons Select Committee on Education and Employment, Seventh Report, 2000, para. 14)
‘moments’ across the system. The form of the state/economy relationship, the settlement as it is sometimes termed or the ‘spatio-temporal fix’ as Jessop calls it, became untenable and a hindrance to international competitiveness. It produced a condition Cerny (1990: 221) calls the ‘overloaded state’ – trying ineffectively to manage a ‘lumbering’ command economy creating ‘rigidities which prevented private capital from playing its proper role in its own sphere’ (p. 221). The KNWS has as a result become steadily de-legitimated and subject to systemic but not total dismantling and is in the process of being replaced or in part overlaid by the SWS, the logic and workings of which constitute a new ‘social fix’. The new SWS, the new settlement, did not come into existence once and for all at some particular point in time, nor is it a stable or comprehensive settlement. Initial optimistic reformism was replaced by radical transformation which is itself always limited by the political reach of regulation. The extent to which crises are solved or solutions attempted within the framework of an existing regime varies between nations. Therefore much of the generality of what is said here has a degree of specificity to England but a general relevance to many other national settings. England holds a particular position as a political laboratory of political transformation, first under Thatcher and then under Blair, which exports policy solutions across the globe (see Chapter 3).

The form of the SWS has not developed in a mechanical fashion but rather has crystallised out of the responses to and management of crisis tendencies and the pr motion of ‘economic and extra-economic conditions deemed appropriate to the emerging post-Fordist accumulation regime’ (Jessop 2002: 95) and its new ‘techno-economic paradigms’ the informational, or digital or knowledge, economy (see Chapter 7). One of the aspects of the SWS, which is very relevant to the more specific analysis to come, is a shift from the state as a decommodifying agent to the ‘re-emergence of the state as a commodifying agent’ (Cerny 1990: 230), that is a re-positioning of the state as commissioner and monitor of public services, and broker of social and economic innovations, rather than deliverer or even owner and funder. The new institutional architecture of the SWS is still emerging from ‘fumblings’ and ‘muddling through’ and is changing by trial and error, mediated by ‘discursive struggles over the nature and significance of the crisis’ (Jessop 2002: 92) and the inadequacies of neoliberalism as an initial response (see Chapter 2). It is within parts of this new ‘competition state’ and its re-scaling and re-articulation that the research is set and the ‘fumblings’ and qualities of trial and error or involved in ‘reform’ of state education will become apparent ‘up close’. Indeed, education is itself no longer in almost permanent ‘crisis’ as it has taken on central stage in the complex relations between the state and the ‘imagined economy’ – a knowledge economy, an economy much simpler than the real one.

I aim to take education policy as an analytical case of state re-articulation and re-scaling which might purposefully be explored using Jessop’s account of the characteristics of the SWS. Indeed he also offers a brief account of education policy (Jessop 2002: 162–8) and the discursive resolution of ‘the
crisis in education... through a growing hegemony of accounts that cast educational reform in terms of economic imperatives’ (p. 163) within which ‘learning is the key to prosperity’ (DfEE 1998). However, I intend to deploy, elaborate and adjust his framework, where necessary, specifically in relation to the privatization of education as one particular response to crisis. This will not, hopefuly, be a simplistic process of just fitting the case into the framework but rather its use as a source of enriching insights: an interplay of exploration and modification between data and concepts.

In Jessop’s analysis the building of the ‘competition state’ is a ‘political response to the challenges and opportunities’ which arise from the decomposition of Fordism and the ‘economic and extra economic’ (2002: 124) tendencies of ‘globalisation(s).’ He sees globalisation(s) not as ‘being a unitary causal mechanism’ but rather ‘as the complex emergent product of many different forces operating on many scales’ (2002: 114). Globalisation is a heterogeneous process. It has economic, cultural and political dimensions and is made up of erratic but increasingly speedy flows of capital, goods, services, labour and ideas (including policy ideas – Ball 1998) which all contribute to an increasing synchronicity of demands, the weakening of traditional structures of meaning, and increasing degrees of difficulty for nation states in the management of their economies. The term is used and the processes it refers to take place both in a transitive sense, something which is made to happen, and in an intransitive sense as something that happens (Lewin 1997). It is not just ‘an “out there” phenomenon. It refers not only to the emergence of large scale world systems, but to transformations in the very texture of everyday life’ (Giddens 1996: 367–8). However, ‘to a large extent, globalization represents the triumph of the economy over politics and culture’ (Kellner 2000: 307). For Western developed economies, globalisation is a threat to traditional forms of production and accumulation and the opportunity for new forms. While in some ways less nuanced, Leys (2001: 2) presents a case very similar to Jessop, that profound change in the structure and role of the state ‘flows from a new political dynamic resulting from economic globalisation. It is not that the state has become impotent, but that it is constrained to use its power to advance the process of commodification’ and ‘from now on society would be increasingly shaped in ways that served the needs of capital accumulation’ (p. 80). To quote Tony Blair again: “Of course we need a social Europe. But it must be a social Europe that works” (speech to the EU Parliament, 25 June 2005).

The political responses to all of this in volve new forms of state relations, new institutions and levels of activity, new actors and agents of policy intervention, new policy narratives and the development of new forms of governance. To reiterate, this is not a single, conscious, explicit project, but is a set of trends which involve searches, discoveries, borrowing, and ‘struggles to mobilise support behind alternative accumulation strategies’ (Jessop 2002: 124), which are critically mediated through new discourses and which are also specific and path-dependent within particular political, cultural and...
accumulation histories. Within New Labour this involves a move away from Fabian planning modes of policy to the deployment of projects, initiatives and resources targeting and policy experiments from a variety of sources. These constitute a ‘tendential emergence’ (Jessop 2002: 124) on different scales – local, city, regional, national – of new forms of entrepreneurialism which are intended to promote structural or systemic competitiveness (see Chapters 6 and 7). Competition states typically have a ‘self-image as being proactive in promoting the competitiveness of their economic spaces’ (Jessop 2002: 124), always though in relation to an economy, the subject of policy, that they can control or influence rather than that they cannot. Indeed, ‘National competitiveness has increasingly become a central preoccupation of governance strategies throughout the world’ (Watson and Hay 2003: 299).

‘So what is the agenda that we are carrying through? . . . It is to build on the platform of economic stability, the modern knowledge economy with the skills, dynamism, technological and scientific progress a country like Britain needs’ (text of a speech by Tony Blair to the Labour Party’s centenary conference in Blackpool, 10 February 2006).

Jessop (2002: 132) represents the replacement of the KNWS by the SWS as taking place through the articulation of a series of discursive-strategic shifts ‘into new accumulation strategies, state projects and hegemonic projects’ which reorientate and restructure the state and produce ‘new regulatory regimes’. These shifts are mediated by discursive struggles over the meaning and causes of the crisis of the KNWS and its solutions, in particular the re-narration of the public sector in terms of economism, competition, performance and individualisation. Following Gramsci, Jessop sees a ‘key role’ for intellectuals in this re-narration ‘to consolidate an unstable equilibrium of compromise among different social forces around a given economic, political and social order’ (2002: 6).

The centrepiece of Jessop’s account then is the emergence of the Schumpeterian competition state, the central concern of which is ‘with innovation, competitiveness and entrepreneurship tied to long waves of growth and more recent pressures on perpetual innovation’ (2002: 132) and the development of innovation systems locally, nationally and regionally (see Chapter 6). One crucial aspect of this generalised orientation is the commodifying or collectively vising of knowledge with its attendant contradictions – an assertion of intellectual property rights on the one hand and the fostering of productivity, communication and connectivity on the other. Another is the development of ‘meta-capacities’ which are intended to support the international economic competitiveness of the national economy (see Chapter 7) and a resulting expansion of the state’s ‘field of intervention’ combined with a focused allocation of resources to innovation nodes and ‘leading edges’. In Giddens’s (1998: 99) terms, ‘Government has an essential role to play in investing in the human resources and infrastructure needed to develop an entrepreneurial culture.’ The emphasis of the state on structural and systemic competitiveness leads, among other things, to a redefinition of boundaries between the
economic and the 'extra-economic'. The processes of the redefinition of boundaries are a major concern in the analysis which follows. Within all this, important distinctions between state and market, public and private, government and business, left and right are attenuated.

The following account by Amey plc of their involvement in sponsorship of an Academy school is a paradigm example of boundary crossing and the tying together of innovation, inclusion and regeneration in relation to the requirements of the workplace – the discourse of the SWS in action:

**City Academy sponsorship**

In Middlesbrough, Amey sponsors Unity City Academy. This is a major opportunity for the company to contribute directly to the improvement and opportunities of the children in an area with a history of under-achievement. The new state-of-the-art facility will be opened shortly and represents a radical departure from the conventional school model. With a specialism of ICT, the Academy will use new teaching methods and approaches to equip the children with the skills they need for the workplace of the 21st century.

I will return to look at the Academies policy in Chapters 6 and 7.

In relation to welfare, restructuring involves the use of social policy to 'enhance the flexibility of labour markets and to create flexible, enterprising workers suited to a globalising, knowledge-based economy' (Jessop 2002: 168) together with a reduction in the social wage. The achievement and enactment of the SWS also requires a shift from government to governance, a move from hierarchy to the greater significance of networks and 'self-organisation' or autonomy and responsibility as alternatives to the failures of both social planning and free markets. Increasingly individual learners and workers are required to become 'self-organising' (Colley et al. 2003). This involves the state in what Jessop (2002: 240) calls 'meta-governance', that is 'the organization and conditions for governance in its broadest sense' (p. 240) or the 'rearticulation and collibrating [of] different modes of governance' (2002: 242) founded on 'the judicious mixing of market, hierarchy and networks to achieve the best possible outcomes' (p. 242) (see Chapter 5). Meta-governance also involves: 'the reflexive redesign of markets' – meta-exchange (see Chapter 4); 'the reflexive redesign of organizations . . . and the management of or organizational ecologies' (p. 241) – meta-organization (see Chapter 6); and 'providing opportunities for spontaneous sociality' and 'fostering trust' (p. 241), the conditions of self-or ganisation – meta-hierarchy (see Chapter 6). The purpose of the state in these respects is to re-shape 'cognitive expectations' and 'try to modify the self-understanding of identities, strategic capacities and interests of individual and collective actors' (p. 242) (see Ball 2000 and Ball 2003 for examples). Also involved here is the creation of 'linkage devices, sponsoring new organizations [and] identifying appropriate lead organizations' (p. 242). However, the emphasis on
self-organisation is accompanied by a systematic prioritising of some outcomes over others – entrepreneurship and enterprise are key examples here. Embedded in all this is the process of ‘destatalisation’ – ‘the redrawing of the public-private divide, re-allocating tasks, and rearticulating the relationship between organizations and tasks across this divide’ (Jessop 2002: 199). Clearly this re-drawing, re-allocation and re-articulation are very evident in recent education policy generally and the processes of privatisation of education particularly. They involve various forms of ‘partnership’ (see Chapters 4 and 5) in the management of economic and social relations. All of this ‘could also be part of a more complex power struggle to protect key decisions from popular-democratic control’ (Jessop 2002: 199–200), that is the replacement of democratic processes with technical or market solutions, like ‘Trusts and Partnership Boards, Foundation Hospitals, that is ‘at the heart of new localism lies a much more retrogressive agenda of privatisation’ (Centre for Public Services 2003: 10) – the privatisation of decision-making. At the same time an increased emphasis on regionalism and localism and new forms of local partnership is part of the ‘re-scaling’ of the state and its ‘denationalisation’ (both a regional extension and a local devolution) and the regeneration of local economies through the creation of ‘entrepreneurial localities’ (see Chapter 6 where I will consider three such localities: Sand well, Blackburn and Darwen, and Middlesbrough). Technicisation and subsidiarity work together. A set of diverse and multi-faceted shifts are involved here, not simply a move away from bureaucracy but also from democracy and a ‘common equity’ (Leys 2001: 71).

While it remains somewhat implicit, Jessop’s account of state change also suggests a periodisation within the process of transition from the KNWS to the SWS. That is what I will call, for simplicity, a neo-liberal stage and a Third Way stage, the former approximating to Thatcherism and the latter to Blairism. However, these need to be understood in terms of both their continuities and their differences. In the former the emphasis was on freeing the market and shrinking the state and a narrow definition of the social. Briefly at least during the 1980s and early 1990s, there was a flourishing of ‘wild neoliberal triumphalist fantasies’ (Jessop 2002: 169) with their almost exclusive ‘emphasis on cost-containment’ and the use of privatisation and ‘market proxies’ to reform the public sector and the reduction of civil society to the competing interests of consumer-citizens. In contrast, the post-neo-liberal, Third Way state retains key aspects of the capacity to manage and remediate the social fragmentation and loss of trust produced by neo-liberal welfare policies based on ‘a greater concern to recalibrate existing institutions to deal with problems rather than to believe that the market can solve them’ (2002: 171) together with the use of ‘activation policies’ (p. 155) and the deployment of performance measures and new forms of management to encourage constant innovation. (I shall return to the continuities and differences between Thatcherism and Blairism in Chapter 2). However, despite this mix-and-match approach to governance, the combination of the
‘invisible hand’ with the ‘in visible handshak e’ (Jessop 2002: 243), ‘there is no Ar chimedean point fr om which governance or collibr ation can be guar anteed to succeed’, as J essop puts it (2002: 242). The comple x tangle of initia tives and str ategies and subsidiarities of post-neo-liber al policy-making is particular ly significant in educa tion policy within the gener al orienta tion to competiti veness on the one hand and de velopment of netw orks and part- nerships on the other and the r ole of ‘experimenta tion’ in both. Consequentl y an account that relies solely on an anal ysis of privatisation in ter ms of neo-liber alism is bound to be flawed. I shall ar gue that Thir d Way policies unsta bly and sometimes incoher ently tie to gether the subor dina tion of educa tion to the demands of structur al competiti veness and the r e-articula tion of state educa tion thr ough the pr oduction of ‘plausib le’ new policy narr atives (e.g. choice, diversity, personalisa tion – a mid dle-class ontolo gy of welfare (see Ball 2003) – and enterprise , technolo gy and inno vation), with, nonethe less, a residual set of concerns with social inequalities or r ather the under- achievement and under-participa tion of some of the w orking class and some ethnic minorities in educa tion – a social pr oblem rendered economic. This is articula ted in ter ms of indi vidual r esponsibilities, and indi vidual self-organisa tion (thr ough schemes lik e Conne xions, the ill-fa ted Indi vidual Learning Accounts (ILAs), and notions lik e ‘life-long learning’). All of this involves a significant r e-working of the f or m of the welf are state and changes to the r ole it plays in social r eproduction, and is a mo ve away from collecti ve consumption. As I shall go on to outline (in Chapter 3) the de velopment of the educa tion services industry (ESI) itself , as with other ne w public sector markets, is also mar ked by phases or sta ges of development.

What I will try to do in the r emainder of this book is to e xamine the ways in which the gener al discourses (kno wledge and pr actices) and ma terial changes of the competition sta te drive, articula te or ar e resonant with con-comitant changes , approaches, assumptions , logics and methods of a ppropriateness in the re for m of educa tion, in dir ect and indir ect ways. That is the dissemina tion thr ough the educa tion system of a cultur e of competiti veness and its a ttendant social identities , not simpl y or even primaril y competiti veness in the relat ions betw een institutions but in the orienta tion of institutions toward the log ic of economic imper atives, of ‘inter dependence’ and ‘m utual learning’ (J essop 2002: 197) linked with the notion of ‘colla borative advant age’. This generality and duality of competiti veness explains to some e xtent the di fferent imper atives within educa tion policy f or educa tional institutions to compete and collaborate, to exploit financi ally their intellectual pr operty and develop collecti ve intelligence, to seek mar ket ad vantage and attempt to ensure greater social inclusi vity. These things do not necessaril y sit to gether comforta bly or coher ently but they ar e all part of the pub lic sector re for m policy ensemble. While the former, schools as b usinesses, are perha ps evi dence of the dir ect imposition of the neo-liber al mar ket fantasy on to schools, FE and HE, the la tter, collaboration, the dissemina tion of good practice and inno vation, to gether with an a genda of social inclusion, ar e
indications of the structural requirements of national competitiveness and the activities of the competition state within the global knowledge economy – Education plc. All of these issues will be returned to and explored more fully and in a more grounded fashion in later chapters. Thus, the analysis which follows focuses as much on the new forms of ‘state education’ as it does on the inroads of the private sector into state education. Indeed I will suggest that they are parts of the same project of competitiveness. The title *Education plc* refers to both the privatisation of education and the tying of education to the requirements of international competitiveness and the competition state.

**Private actors**

The third positioning in this account and its conceptual resources are interactional. I deploy the words and utilise the perspectives of a range of actors within the ESI whom I interviewed (21 in all; see the Appendix and Box 1.2). I take their accounts very seriously but situate these within the discursive and structural frameworks adumbrated above. These accounts provide important insights into the new subject positions which are made available within ‘entrepreneurial governance’ (Hall 2003). These actors represent subjectivities which fit within the complexity of new forms of governance and these are blurred and elude simple categorisations. There are strong common elements across the interviews in terms of motives, purposes and values which are meaningful and powerful within the context of destatisation and the re-articulating of ‘the relationship between organizations and tasks’ (Jessop 2002: 199) across the public–private divide. These actors embody a new kind of self-understanding and a new set of strategic capacities and interests. They

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**Box 1.2 The interviews**

The interviews were tape-recorded and the transcripts were sent back for comment, editing or elaboration. Only three people took up this opportunity. I explained what I was trying to do at the beginning of the interviews and assured the interviewees that I would not attribute anything that seemed to me to be ‘sensitive’; consequently you will see that a few extracts quoted are simply attributed to ‘a respondent’. I sent draft chapters to five of the interviewees and received some helpful comments and corrections back.

I also drew on a large number of secondary sources and with help conducted thousands of internet searches and explored hundreds of websites. I have tried throughout not to rely too heavily on any particular of these sources.

The publishers asked me to remove three pieces of ‘data’ from the text for legal reasons. None were of great substantive importance.

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move within and in relation to government and governance and blend private interests and public service in a variety of ways. They are constantly engaged in networking and negotiation. They are the flesh and bones of new discourses and structures, its subjects and disseminators and relays. Their insights were also of great strategic importance to my understanding of privatisation(s) and its complexities and conundrums. Their accounts of the work of the ESI and of their companies also play an important role in my mapping of privatisation(s) and the relationships between ESI companies and the state. Partly by virtue of the nature of my questioning the interviews with these actors ‘inside’ privatisation were also in part narratives of personal histories, of journeys and boundary crossings, accounts of themselves as well as of the ESI (see Ball 1994). The private sector is here constituted by relationships and encounters and personalities. They were keen, as we all are, to give a morally adequate account of themselves and a firm preferred identities’ (Convery 1999). I was asked to do this for myself in a couple of interviews and did not find it easy. The interviews were astonishingly open and frank but still of course partial. At times we hedged around things which could not be said or described. Most of my respondents knew each other — the ESI is a close-knit community — and were aware of me and my research. This enabled me to cross-reference between interviews. It also meant that the interviewing was cumulative. Information and insights from one interview could be rehearsed, probed or checked out in the next. The interview process was also a complex learning process, the accumulation of background knowledge across a wide range of technical areas, but I was also trying to grasp something of the culture of this small part of the private sector. The status of this data raises interesting questions. As noted already, there were commercial sensitivities involved which meant some things were not said or said in confidence. There was also a range of sensitive political or ethical issues which were discussed in the interviews. The respondents were to some extent representing their company and the private sector in the interview as well as themselves. These considerations have to be taken seriously but all interviewing involves some aspects of these ‘sensitivities’ and ‘presentations’.

Collectively these actors within the private sector are part of what Whitfield (2001: 10–13) calls the emerging ‘corporate welfare complex’ but many other companies not represented in the interviews make up the totality of this complex. Whitfield identifies three main elements to this complex. The first part is based on relationships between public (client) agencies and a relatively small number of private sector contractors. Both clients and contracts share a similar ideological position and a set of vested interests which dictate that the state will outsource an increasing range of services and functions. This goes beyond direct service delivery per se to include the huge army of consultants that advise on the best model of service delivery, ways of outsourcing, and arm’s length performance management systems. The second part is based on an owner-operator infrastructure largely supported by the
rapid and continued extension of PFI contracts in which the financial institutions, contractors and facilities management companies take control and ownership of what are ostensibly public buildings and facilities, paid for with public money. It is important to note that the impact of this goes far beyond the narrow technical and financial scope of the contract to have implications for employment, local economic development and public space. The third part is based around regulatory and financial concessions to business. Public money is used to give tax breaks, subsidies and local and regional grants and to remove obstacles to entice businesses to locate in particular areas (Whitfield 2001; Centre for Public Services 2003: 5).

Privatisation(s)

Let me try to delineate now my use of the term ‘privatisation’ because it is at the centre of my concerns and will be used as a shorthand throughout the book. I say a shorthand because a variety of processes is actually involved here. It is more appropriate perhaps to talk about ‘privatisations’. There is a wide variety of types and forms of privatisation in involving different financial arrangements and different relationships between funders, service providers and clients (see Chapter 3). Clearly, privatisation in general terms also has a long history. It has been the normal way of going about things in terms of things like textbook production and sales (see Apple 1986), testing programmes, equipment and building for many years. Privatisation is old but also very new. ‘The state has always bought and sold property, purchased services and encouraged enterprise but the scale of privatisation in the past two decades has been unparalleled’, a ‘relentless rolling process’ (Whitfield 2001: 75). Contemporary privatisation is part of a much broader and more fundamental redesign of the public sector, as outlined above. This involves private and not-for-profit companies and voluntary and community or ganisations and NGOs and parastatal or ganisations in income-generating activities inside the public sector. There is also a relatively new kind of ‘philanthropic privatisation’, to which I shall return in Chapter 5. The newer forms of privatisation mean that the distinction between ‘hard’ and ‘soft’ services, books and educational media, etc., on the one hand, and ‘those services which require human action’ (Boyles 2000: 118), on the other, is now thoroughly breached – the private sector operates across this divide. There are no service areas which are exempt from private sector participation, although there are some where it appears, as yet, only infrequently. The state is increasingly re-positioned as the guarantor, not necessarily the provider (White 1998: 3) nor the financer, of opportunity goods like education. This is not a ‘free market’ in any simple sense; neither is it simply imposed by the state. However, as I shall demonstrate later the state is very much a market-maker or broker in relation to the ESI.

As for a categorisation of types, I want to suggest a set of categories that are practical and flexible rather than a absolutely precise and fully comprehensive
(presented in Chapter 3) but which takes account of both first-order privatisation – in terms of ownership, organisation forms, financial relations, etc. – and second-order privatisation – in terms of the implications for social relations, social space, family responsibilities, citizenship and democracy, and which also incorporates the privatisation of governance or what Mahony et al. (2004) refer to as ‘privatising policy’. In education there is a further, specific dimension to privatisation or more precisely commercialisation (Molnar 2005) or what is called in the US ‘cola-risat10n’ – ‘where income is derived from vending machines, displays of sponsors’ logos and ad-vent of TV ad-vertisements streamed at students via Channel One television’ (Fitz and Beers 2002: 140) (see Education Policy Studies Laboratory, Arizona State University). This is what Boyles (2000) describes as ‘schools as sites for consumer materialism’. In this country the Food Commission, and others, have raised concerns over the Cadbury’s chocolate and Walker’s crisps promotions which target school children through schemes to collect tokens towards school equipment. The major supermarkets also regularly run such schemes. The NUT estimates that brands are now spending £300 million a year getting classroom consumers. In addition commercial companies are also increasingly involved in the production of formal or informal curriculum materials and educational resources, sometimes unacknowledged, and Buckingham and Scanlon (2005: 42) note that ‘Parents are being placed under increasing pressure to “invest” in their children’s education by providing additional resources at home’. Together with the growth in the use of private tutors (Ireson 2004) and other enrichment activities for children’s education by providing additional resources at home, this points to yet another form of privatisation, the privatisation of learning itself; ‘the overall value of the educational resources market (including print and digital media) in the UK is around £350 million per year’ (Buckingham and Scanlon 2005: 42). It seems clear that the child and childhood are now thoroughly saturated by market relations and, within this saturation, the meaning of childhood and what it means to be well educated are subject to significant change. As Kenway and Bullen (2001: 3) argue, ‘we are entering another stage in the construction of the young as the demarcations between education, entertainment and advertising collapse’. The typology also draws attention to the global context of educational privatisation, which is undoubtedly of increasing importance. But while I will address some aspects of the international dimensions of educational privatisation I will not deal specifically with the impact of GA TS (see Rikowski 2001, 2003, and on the role of the private sector in European Community policy-making see Hatch and Hirtt 1999 and Robertson 2006). I also make use of the distinction between what Hatcher (2000) calls exogenous and endogenous privatisation. Where the former involves private companies entering education to take over directly responsibilities, services or programmes, the latter refers to changes in the behaviour of public sector or organisations themselves, where they act as though they were businesses, both in relation to clients and workers, and in dealings with other public sector or organisations.
The existing literature on social and educational privatisation in England is extensive but is also narrowly focused, fragmentary and primarily discursive and tends to under-estimate and homogenise the impact and spread of privatisation in English education. Green’s (2005) account is the most comprehensive, and Farnsworth (2004: 1) investigates ‘business views and influence on social policy outcomes’ including education. Much of the other work rests on rather lazy binaries which contrast a particular version of ‘the private’ with a particular, often rosy, version of ‘the public’, which Green avoids. I want to move beyond a simple juxtaposition of public/private to explore the blurings and elisions between them and to analytically audit in a critically constructive fashion the different privatisations currently under way, as well as to re-insert and re-assess the role of the state in relation to privatisation. I shall consider the possibility that privatisation can have paradoxical effects, good and bad together, and that the small particulars of privatisation might contribute to larger-scale social and political changes.

Research and ethics

Political argument and policy-making have out-run research in this field. Key components of the dynamics of public sector privatisation are still relatively poorly understood, some market sectors are dramatically under-researched and many of the concrete first- and second-order effects of the market remain almost totally unexamined. In part these lacunae exist because of the divisions within the field of academic practice. Sociologists, policy analysts, economists and philosophers ask their questions separately and differently and researchers tend to pursue their specialisms within particular sectors of the education system (HE, FE, school, pre-school and life-long learning). (I do not escape from this; because of the limitations of space this account is heavily focused on schools.) Most discussion of education markets still remains at the level of ‘abstraction’; little is written about the actual buyers and sellers, forms of labour, constraints and regulations in lived, ‘concrete’ markets. Markets, of any kind, are complex phenomena but ‘all market processes are amenable to sociological analysis’ and ‘such analysis reveals central, not peripheral features of these processes’ (Granovetter 1985: 505). They are multi-faceted, untidy, often unpredictable and both creative and destructive. Any comprehensive attempt to review and analyse the privatisation of education needs to address: competition, supply and demand, producer and consumer behaviour, commercialisation and commodification, values and ethics and distributional outcomes. The account which follows ranges across these concepts with greater or lesser detail and precision although the last is only addressed in passing.

The challenge of finding an ethical position from which to speak about privatisation is difficult in a practical sense, especially when my own institution has a number of collaborations and other relationships with the private sector (the HSBC Chair of Educational Leadership, work with CEA, Teachers’ TV,