

'Gifts' and 'Expertise':
**on the changing role of education
philanthropy and global consultants**

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An International Education Test

The Organization for Economic Cooperation and Development has released the results of its 2009 PISA (Program for International Student Assessment) test of 15-year-old students in 65 countries. In the Math and Science tests, all participating regions of China outperformed the United States.

SCIENCE	PISA SCORE	READING	PISA SCORE	MATH	PISA SCORE
Shanghai, China*	575	Shanghai, China	556	Shanghai, China	600
Finland	554	Korea	539	Singapore	562
Hong Kong, China	549	Finland	536	Hong Kong, China	555
Singapore	542	Hong Kong, China	533	Korea	546
Japan	539	Singapore	526	Taiwan	
Korea	538	Canada	524		
New Zealand	532	New Zealand			
Canada	529	Japan			
Estonia	528	Australia			
Australia	527				
Netherlands	522				
Taiwan	520				
Germany	517				
Liechtenstein	517				
Switzerland	516				
Britain	514				
Slovenia	512				
Macao, China	511	Liechtenstein			
Poland	508	Sweden			
Ireland	508	Germany			
Belgium	507	Ireland	496	Norway	497
Hungary	503	France	496	France	497
United States	502	Taiwan	495	Slovakia	497
AVERAGE SCORE	501	Denmark	495	AVERAGE SCORE	497
Czech Republic	500	Britain	494	Austria	496
Norway	500	Hungary	494	Poland	495
Denmark	499	AVERAGE SCORE	494	Sweden	494
France	498	Portugal	489	Czech Republic	493
Iceland	496	Macao, China	487	Britain	492
Sweden	495	Italy	486	Hungary	490
Austria	494	Latvia	484	Luxembourg	489
Latvia	494	Slovenia	483	United States	487
Portugal	493	Greece	483	Ireland	487

*In the study, China was represented by the city Shanghai and by the administrative regions Hong Kong and Macao.

Source: Organization for Economic Cooperation and Development



First International Conference on Teachers 2011 (US Dept of State, OECD, Education International, and global philanthropists)



What are Foundations?

1. They are a distinct legal structure and usually have an identity.
2. They have no shareholders, though they may have a board, an assembly and voting members.
3. A Foundation will likely hold assets in its own name for the purposes of discharging its mandate, administration and operation.
4. They can be **private** (funded by an individual etc) or **public** (funded by money raising from the general public)
5. BUT.....also sites where significant tax concessions, tax credits and so on can be gained.



Lumina™
FOUNDATION

BILL & MELINDA
GATES *foundation*

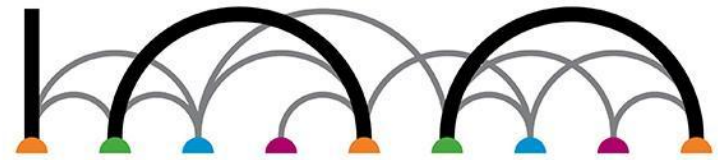


They are a global phenomenon....

Rank ↕	Organization ↕	Country ↕	Headquarters ↕	Endowment (\$USD) ↕	Endowment (native currency)	Founded ↕
1	Bill & Melinda Gates Foundation	 United States	Seattle, Washington	\$37.4 billion		1994
2	Stichting INGKA Foundation	 Netherlands	Leiden, Netherlands	\$36.0 billion		1982
3	Wellcome Trust	 United Kingdom	London	\$22.1 billion	£14.2 billion (GBP)	1936
4	Howard Hughes Medical Institute	 United States	Chevy Chase, Maryland	\$16.1 billion		1953
5	Ford Foundation	 United States	New York City, New York	\$10.3 billion		1936
6	Mohammed bin Rashid Al Maktoum Foundation	 United Arab Emirates	Dubai	\$10.0 billion	\$36.7 billion (AED)	2007
7	J. Paul Getty Trust	 United States	Los Angeles, California	\$9.6 billion		1982
8	Robert Wood Johnson Foundation	 United States	Princeton, New Jersey	\$9.2 billion		1972
9	Li Ka Shing Foundation	 Hong Kong	Hong Kong	\$8.3 billion	\$64.4 billion (HKD)	1980
10	The Church Commissioners for England	 United Kingdom	London	\$8.1 billion	£5.2 billion (GBP)	1948
11	W.K. Kellogg Foundation	 United States	Battle Creek, Michigan	\$7.7 billion		1930
12	William and Flora Hewlett Foundation	 United States	Menlo Park, California	\$7.4 billion		1967

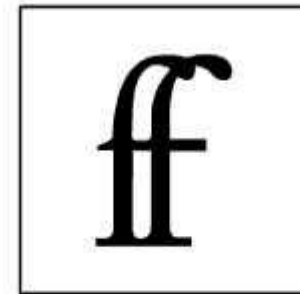
Early Philanthropic Influences in the US

The early philanthropies – *Carnegie, Ford Foundation, Rockefeller* - varied in their goals and impact. They funded initiatives that both reinforced *and* challenged inequalities. But tend to be viewed as *altruistic and liberal*.



Rockefeller Foundation

Innovation for the Next 100 Years



Ford Foundation

 THE CARNEGIE FOUNDATION
for the ADVANCEMENT of TEACHING

“Current reforms are allowing certain individuals with neither scholarly nor practical expertise in education to **exert significant influence over educational policy** for communities and children other than their own. ...millionaires and billionaires from the philanthropic and corporate sectors are experimenting in urban school districts with education reform initiatives that are not grounded in sound research, and often fail to produce results. And yet with funding to public education shrinking, the influence of these wealthy reformers is growing” (Kumashiro, 2012)

Most grantmakers traditionally have eschewed engaging in the policy arena, experts say, whether because they thought it was inappropriate, illegal, or too risky to their reputation. Ms. Tebben, from Grantmakers for Education, recalls the reluctance she perceived from many foundation officials to consider wading into policy matters back in 2002, at a conference her organization hosted. “We had maybe one session out of 30 where funders were talking about policy,” she said. “And it was seen as a radical thing....People would say, ‘We don’t like to use the word policy.’ People were very, very anxious about it.” Now, she says, the discussion has shifted from whether philanthropies should engage in the policy realm to how to do so effectively, what roles to serve, and how to evaluate their impact. The organization’s most recent annual conference, held this fall in New Orleans, featured a variety of sessions that touched on policy and advocacy issues. (‘A Radical Thing’ para. 1-5)

**From ...‘Advocacy Philanthropy’ and the Public Policy Agenda:
The Role of Modern Foundations in American Higher Education
Cassie Hall, Scott L. Thomas 2012**

From *traditional* to *venture* philanthropy

“Unlike traditional philanthropy, which sought in principle at least to ‘give back’ to society, venture philanthropy parallels venture capitalism in its goal of investing in capital in ways that earn more. ...The policy foci of today’s *venture philanthropists* indeed reveal the economic incentives of their investment. They are overwhelmingly pushing for the **privatisation of public education** creating new markets worth hundreds of billions of dollars, as well as for the prerogative to direct how public tax dollars get spent. They target the large urban school districts, experimenting with models they hope eventually to ‘scale up’ nationally.....” (Kumashiro, 2012)

Advancing 'Charter Schools'

- The **Charter School Growth Fund** invests philanthropic venture capital in the **nation's highest performing charter school operators** to dramatically expand their impact on underserved students.
- Charter School Growth Fund believes that to transform K-12 education, a new cadre of high-performing organizations which operate large numbers of schools will set the pace for dramatic increases in the level of performance and expectations for students. In the next decade, the Charter School Growth Fund seeks to invest its capital to realize the following vision: By 2020 ...



The Lynde and Harry
BRADLEY
FOUNDATION



BILL & MELINDA
GATES *foundation*

Vouchers and the NewSchools Venture Fund

Our mission is to transform public education through ***powerful ideas and passionate entrepreneurs*** so that all children – especially those in underserved communities – have the opportunity to succeed. We are guided in our actions by the following core values.



newschools
venture fund



the
broad foundations



ROBERTSON
FOUNDATION



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Standards and Testing

- The **Common Core State Standards** can help our students catch up to the rest of the world. The standards set more rigorous academic requirements in English language arts and mathematics.
- **If our students are unable to keep up with their global peers**, institutions — from our military to our manufacturing sector — will erode. Without a thriving economy and high-paying jobs, American families will struggle to make ends meet and provide the future security for successive generations that we have come to take for granted.
- It is for these reasons that Business Roundtable, an association of CEOs of leading U.S. companies, is committed to the Common Core State Standards and their implementation.



The new forms of expertise...the rise and role of the 'Consultocracy'

Global Consultants – with large education portfolios – provide a wide range of expert advice on education. This ranges of major policy and research work for governments and education institutions, to strategic management, legal advice (PPP contracts) and quality assurance.

In some cases, too, they have invested in the development of 'charter' schools. A small group of large companies (e.g. McKinsey, KPMG) **control almost half of the world management consulting market** (Hodge, 2006).

Deloitte & Touche

pwc

 Grant Thornton

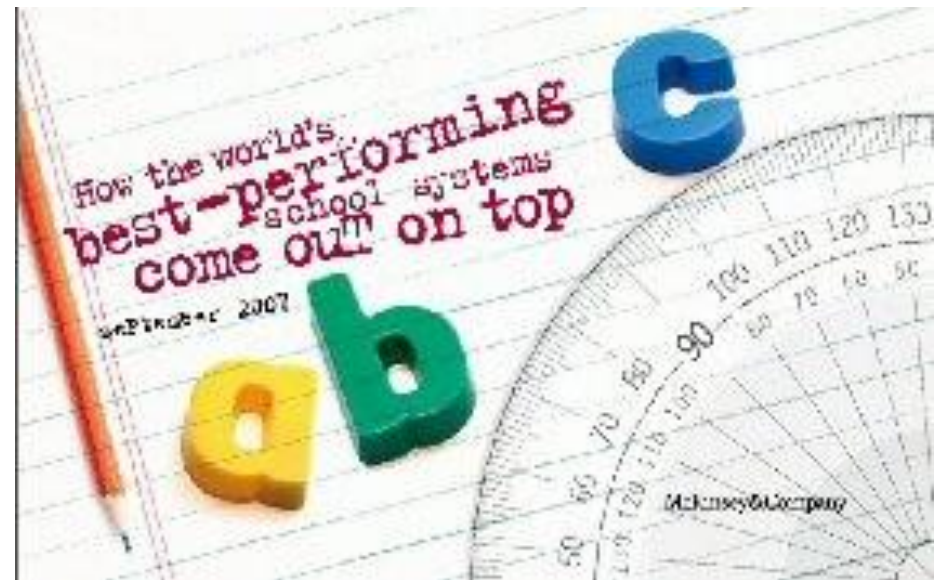
PEARSON
Education

HayGroup®

McKinsey&Company

KPMG

Expertise on global performance and need for reform



Bill and Melinda Gates Foundation

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Teacher Effectiveness Initiative



3000 US teachers

\$345 million

6 states

Value added
measures

Implement across
all US states

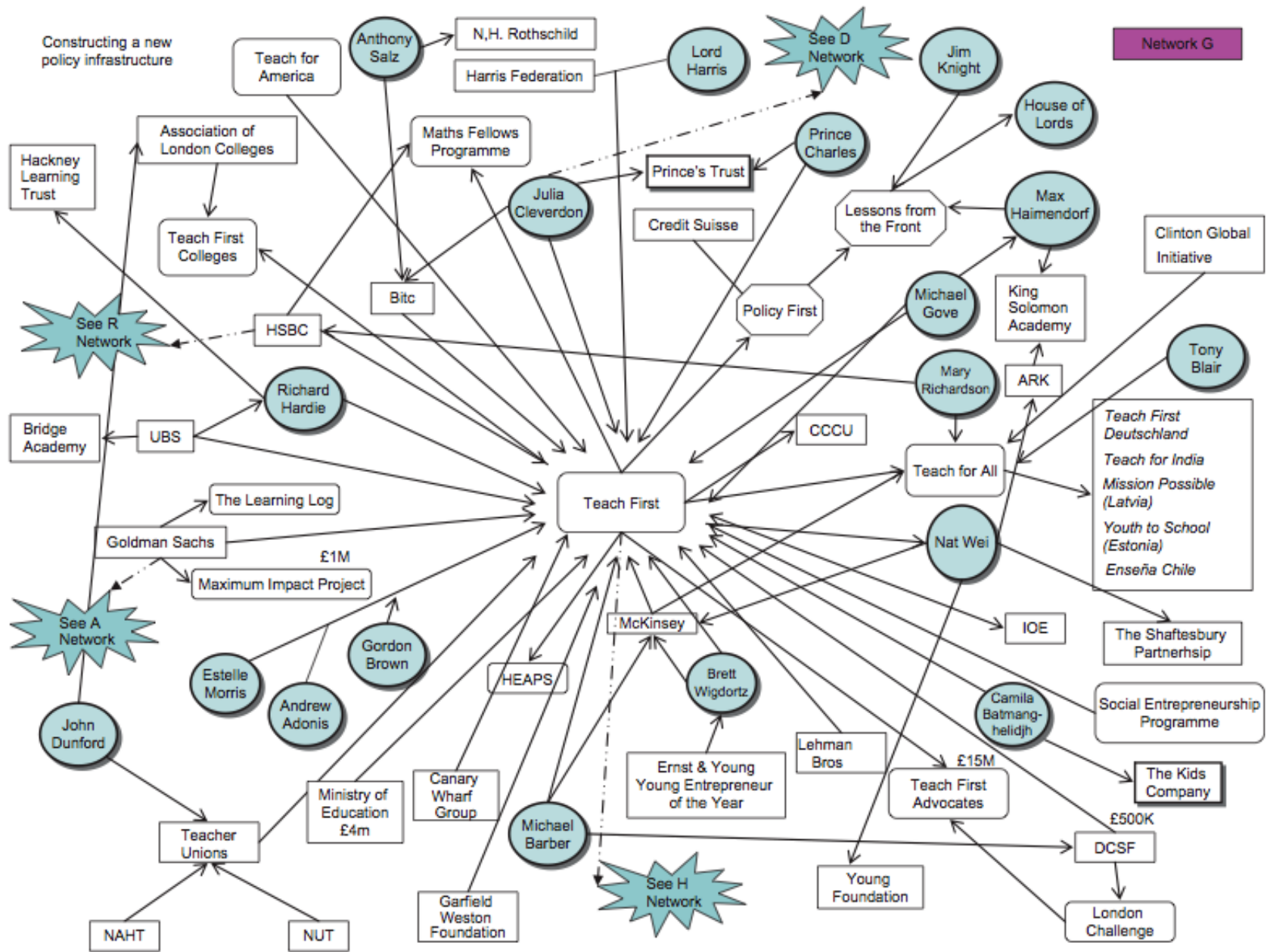


FIGURE 3 Teach First (color figure available online).

Edu-capitalism - free market style

- Competition and 'efficiency' but when the risks are too high the private sector withdraw their investment (referred to as market failure but we might want to call this unethical practice)
- Standards and accountability are policy levers for niche investments
- Enterprise and entrepreneurship are prioritised as competences above all else
- The one-size fits all approach undermines the basis for creativity and innovation for society

Research Questions

- What does a mapping of philanthropic and consultancy firm activity look like in the education sector I am working in?
- What are their activities and values (individual or collective)?
- Who exerts significant influence on what kinds of education activity (policy, funding, provision and so on)?
- How do preferences and agendas get formed, and where?
- What kinds of public accountability mechanisms are there for their activities?